

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011025952001**

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Clayton George Roach
Former Registered Representative
CRD No. 2148512

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Clayton George Roach ("Respondent") entered the securities industry in May 1991 and became associated with Equity Services, Inc. ("ESI" or "the Firm") in December 2005. At the Firm, he maintained the following registrations: Investment Company Products/Variable Contracts Limited Representative (Series 6) and Uniform Securities Agent (Series 63). Pursuant to a Form U5 filed by the Firm on January 4, 2011, Respondent was terminated effective December 28, 2010 for allegedly engaging in undisclosed outside business activity or private securities transactions. He is not currently registered or associated with a FINRA-registered firm. FINRA retains jurisdiction over Respondent pursuant to FINRA By-Laws, Article V, Section 4.

RELEVANT DISCIPLINARY HISTORY

Respondent was sanctioned by the State of Florida based on his involvement with LewFam Investments, Ltd. ("LewFam"), an offshore investment club. Respondent was fined \$5,000

(deferred), consented to findings that he violated certain Florida statutes, and agreed to cease and desist from any and all violations of Florida's statutes and rules. *See Office of Financial Regulation v. Clayton Roach* (Admin Pro. No. 0579-S-2/12) (June 5, 2012).

OVERVIEW

Between November 2006 and September 2008, Respondent, while associated with the Firm, participated in the sale of private securities by promoting LewFam, referring eight investors, acting as an officer and registered agent for LewFam's Florida-based affiliate, LewFam Investments, LLC ("LewFam FL"), facilitating other people's investment in LewFam, and, receiving not less than \$64,000 in compensation from LewFam. Respondent failed to provide notice to his Firm of his conduct, violating NASD Rules 3040 and 2110.

FACTS AND VIOLATIVE CONDUCT

LewFam & OLINT

LewFam was an offshore investment club owned and operated by Neil Lewis. It invested in OLINT, an offshore corporation, owned and operated by David Smith, who purported to be a currency trader. In or around May 2008, OLINT failed to make payments to its investors, including to Lewis and his LewFam investors. In February of 2009, Smith was arrested in Turks and Caicos for running a Ponzi scheme. In or around November 2010, Smith was extradited to the U.S. on fraud charges. On August 11, 2011, he entered a guilty plea to 23 counts, including wire fraud and conspiracy to commit money laundering.

New members could invest in LewFam only through a referral from an existing member. Existing members entered information on behalf of new investors through a designated website. The "referred" individual then received an electronic invitation from LewFam and was responsible for filling out the paperwork and submitting payment. In some instances, existing members were compensated for the referral.

LewFam told investors that it invested mainly through OLINT and guaranteed investors an average return of 8.07% per month.

Respondent's Involvement With LewFam

Respondent and Lewis were from Jamaica and had been close, personal friends since 1976. In approximately 2005, Lewis told Respondent he was liquidating all of his assets and investing them with Smith. Lewis also informed Respondent that he was starting LewFam as a vehicle for others to invest with Smith. At Lewis' urging, Respondent ultimately invested his own money in LewFam and referred eight other investors. Ultimately, Respondent lost approximately \$26,000 of his investment in LewFam and the investors he had referred, some of whom were family members, lost a total of approximately \$90,000.

Respondent did not receive any direct compensation based on the referrals, but he received a monthly stipend for other activities on behalf of LewFam. Among other things, he opened a

bank account for LewFam FL in Jacksonville, Florida, accepted checks and wire transfers from LewFam investors and deposited them into the bank account, wired investor money to LewFam in St. Lucia, dispersed funds to investors outside the U.S., and acted as an officer and registered agent for LewFam FL. He also wrote checks from the the LewFam FL bank account to himself to pay for his services to LewFam and used his personal residence as LewFam FL's official business address. Between March 2007 and September 2008, Roach was paid at least \$64,000 for this work on behalf of LewFam.

Roach did not disclose his involvement with LewFam to the Firm. By reason of his participation described above, Respondent participated in private securities transactions without providing the requisite notice to his Firm, thereby violating NASD Rules 3040 and 2110.

B. I also consent to the imposition of the following sanctions:

1. A suspension of six months from association in any capacity with any FINRA member firm; and,
2. A fine of \$5,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the six-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

I understand that:

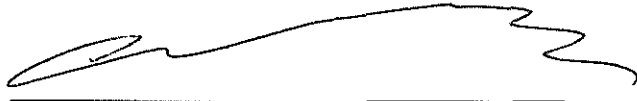
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - I. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other

regulator against me;

2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

10/23/12
Date (mm/dd/yyyy)


Clayton George Roach, Respondent

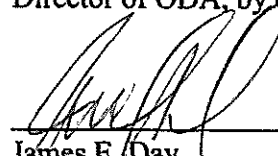
Reviewed by:


Gregg Breitbart
Kaufman Dolowich Voluck & Gonzo LLP
2101 NW Corporate Boulevard
Suite 218
Boca Raton, FL 33431
Telephone: 561-910-5651
Fax: 888-464-7982

Accepted by FINRA:

1/20/12
Date

Signed on behalf of the
Director of ODA, by delegated authority



James E. Day
Associate VP & Chief Counsel
FINRA Department of Enforcement
15200 Omega Drive
3rd Floor
Rockville, Maryland 20850-3241
Telephone: 301-258-8520
Fax: 202-721-8303