

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2011026243582**

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

**RE: Frederick J. Vetter, III, Respondent  
General Securities Principal  
CRD No. 2155203**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Frederick J. Vetter, III, 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**

In 1991, Vetter acquired Series 7 and 63 licenses. He subsequently acquired Series 9, 10, 24, 53, 65, and 66 licenses. From May 1991 through the present, Vetter has been associated with several FINRA members. On August 25, 2010, FINRA member JHS Capital Advisors, LLC filed a Form U4 for Vetter, commencing his association with it as of the prior day. On May 15, 2012, JHS filed a Form U5 for Vetter, terminating his association with it as of the prior day. Vetter was registered with FINRA, through JHS, as a General Securities Representative, General Securities Principal, Municipal Securities Principal, General Securities Sales Supervisor, and Operations Professional. Vetter was not associated with a FINRA member from May 15, 2012 through February 24, 2013. Vetter currently is associated with another FINRA member and has been associated with that member since February 25, 2013. Vetter currently is registered with FINRA, through the member, in the aforementioned capacities.

## **RELEVANT DISCIPLINARY HISTORY**

Vetter does not have a relevant disciplinary history.

## **FACTS AND VIOLATIVE CONDUCT**

In March and May 2011, Vetter, the Chief Compliance Officer of JHS, provided partial but incomplete responses to certain information requests issued under FINRA Rule 8210 by FINRA staff to the firm. Specifically, in response to the subject requests, Vetter failed to disclose that he and another JHS employee reviewed and approved certain iterations of form letters that JHS sent to numerous customers concerning the closing of their accounts. In May 2012, more than one year after Vetter responded to the subject requests, JHS, through counsel, provided that information to the staff. By providing incomplete responses to the requests, Vetter violated FINRA Rules 8210 and 2010.

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

A suspension from association with any FINRA member in all capacities for two months, a concurrent suspension from association with any FINRA member in a principal capacity for nine months, and a \$7,500 fine.

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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

I understand that if I am barred or suspended from associating with any FINRA member in a principal capacity, 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. Accordingly, I may not be associated with any FINRA member in a suspended capacity, during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because I am subject to a statutory disqualification during the principal suspension, if I remain associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

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:

1. 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 §313; 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: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

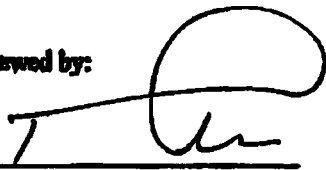
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

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.

5/24/15  
Date (mm/dd/yyyy)

  
Frederick J. Vetter, III

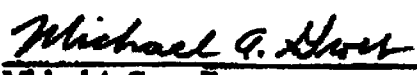
Reviewed by:

  
Theodore C. Peters, Esq.  
Counsel for Respondent  
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(310) 937-2066

Accepted by FINRA:

Date 6/14/13

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

  
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