

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011026555901**

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

RE: Jeffrey Brett Rubin, Respondent
General Securities Representative
CRD No. 2919082

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

On September 4, 1997, Jeffrey Brett Rubin ("Rubin") first became registered with FINRA as an Investment Company and Variable Products Representative. On June 28, 2000, he also became registered as a General Securities Representative. From July 17, 2006 through September 24, 2009, Rubin was registered in those same capacities through Alterna Capital Corporation. Further, from September 25, 2009 through March 10, 2011, Rubin was registered in those same capacities through International Assets Advisory, LLC. Rubin is not currently associated with a member firm. He does not have any FINRA disciplinary history.

OVERVIEW

Rubin made unsuitable recommendations to a customer, a professional football player. Rubin recommended that the customer invest the majority of his liquid net worth in a concentration of illiquid, high-risk securities. As a result, the customer suffered losses of approximately \$3 million.

One of the unsuitable investments that Rubin recommended to the customer involved a now-bankrupt casino/entertainment project in Alabama. Based on Rubin's referral, approximately 31 additional customers, all professional football players, invested (and lost) approximately \$40 million in this project. Rubin participated in those private securities transactions without providing prior written notice to, or obtaining prior written approval from, his employer member firm. In return for these referrals and other work for the project, the promoter of the casino project gave Rubin a four percent ownership stake in the project and at least \$500,000.

Rubin also willfully failed to disclose federal tax liens on Forms U4 filed with two employer member firms.

This conduct violated NASD Conduct Rules 2110 (for conduct before December 15, 2008), 2310,, and 3040, IM-1000-1 (for conduct before August 17, 2009) and IM-2310-2, and FINRA Rules 1122 (for conduct after August 16, 2009), and 2010 (for conduct after December 14, 2008).

FACTS AND VIOLATIVE CONDUCT

Unsuitable Recommendations

From approximately 2000 through 2009, Rubin operated PSF, a Florida-based company that provided financial-related "concierge" services for professional athletes for an annual fee of approximately \$40,000. Rubin also sold securities and insurance products to his PSF clients.

Rubin's PSF clientele was primarily comprised of active NFL players, including Player One. In 2002, Player One opened a brokerage account with Rubin shortly after signing a multi-million dollar contract with an NFL team. On Player One's new account form, Rubin listed his investment objective as "Growth" with a "Moderate" risk tolerance. Player One communicated to Rubin that his primary investment goal was to have sufficient funds so that he would not have to work upon retirement.

From in or about March 2006 through in or about June 2008, and notwithstanding Player One's investment objectives and risk tolerance, Rubin recommended that Player One invest approximately \$3.5 million, which was the majority of his liquid net worth, in high-risk, illiquid securities, as follows:

AKA, LLC - AKA was organized to acquire and operate a large apartment complex in South Florida. The offering memorandum described the securities as a "speculative" investment involving a "substantial degree of risk." In March 2006, Player One accepted Rubin's recommendation and invested \$500,000 in AKA's limited liability interests.

AKM, L.P. - AKM was a limited partnership seeking investments in various real estate projects. The offering memorandum for the limited partnership interests described the investment as "speculative" and further cautioned that "investors must be prepared to bear the economic risk of their investment for an indefinite period and be able to withstand a total loss of their investment." In May 2006, Player One accepted Rubin's recommendation and invested \$500,000 in AKM's limited partnership units.

KTCP, L.P. - KTCP was a partnership seeking investments in private businesses in the manufacturing and services industries. The offering memorandum for this investment described it as involving a "substantial degree of risk." In October 2007, Player One accepted Rubin's recommendation and invested \$500,000 in KTCP's limited partnership units.

MPG, LLC - MPG was a limited liability company that was established as a vehicle for PSF clients, mostly NFL players, to invest in a multi-purposed casino/entertainment project in Alabama ("Casino Project"). MPG was also an illiquid investment characterized as entailing a high degree of risk. In January 2008, Player One accepted Rubin's recommendation and invested \$2 million in MPG's limited liability interests. The Casino Project filed for bankruptcy in January 2012.

Rubin recommended those transactions without having reasonable grounds for believing that such transactions were suitable for the customer in view of the nature of the account and the customer's financial situation, investment objectives and needs. Moreover, he failed to understand the risks associated with investing in those securities. Player One lost at least \$3.2 of his \$3.5 million principal investment in the four securities identified above.¹

¹ In March 2011, Player One filed an arbitration claim against Rubin and others in connection with the above-described unsuitable investments. In June 2012, Player One settled his claim with all of the parties.

By recommending unsuitable transactions, Rubin violated NASD Conduct Rules 2310 and 2110 and IM-2310-2.

Private Securities Transactions

The promoter for the Casino Project was RGP, an Alabama limited liability company. From approximately January 2008 through March 2011, Rubin referred several of his NFL clients to RGP. Subsequently, approximately 31 of those clients invested approximately \$40 million in the Casino Project, ultimately losing their entire investment. Some of Rubin's clients invested directly with RGP, while others invested by purchasing limited liability interests through MPG. Rubin, however, failed to provide written notice to, or obtain written approval from, his employer member firms prior to referring prospective investors to RGP and MPG.

In return for these referrals and other work for the project, RGP gave Rubin a four percent ownership stake in the Casino Project. In addition, RGP paid Rubin at least \$500,000 in connection with these activities.

By participating in private securities transactions without providing prior written notice to, or obtaining prior written approval from, his employer member firms, Rubin violated NASD Conduct Rules 2110 (for conduct before December 15, 2008) and 3040 and FINRA Rule 2010 (for conduct after December 14, 2008).

Failure to Disclose IRS Tax Liens

On April 9, 2008, the Internal Revenue Service ("IRS") filed a federal tax lien against Rubin in the amount of approximately \$441,000. On June 2, 2009, the IRS filed a second tax lien against Rubin in the amount of approximately \$117,000. From the time they were filed to at least March 10, 2011, the liens remained unsatisfied. Nevertheless, throughout that time period, Rubin willfully failed to disclose that material fact on his Form U4 filed through two employer member firms.

By failing to disclose the unsatisfied tax liens, Rubin violated NASD Conduct Rule 2110 (for conduct before December 15, 2008), IM-1000-1 (for conduct before August 17, 2009), and FINRA Rules 1122 (for conduct after August 16, 2009) and 2010 (for conduct after December 14, 2008).

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

- a bar from association with any member firm in any capacity.

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 II, 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 this settlement includes a finding that I willfully misrepresented, and omitted to state, a material fact on a Form U4, and that under Section 3(a) (39)(F) of the Securities Exchange Act of 1934 and Article III, Section 4 of FINRA's By-Laws, those omissions/misrepresentations make me subject to a statutory disqualification with respect to association with a member.

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

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 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.

12/13/12
Date (mm/dd/yyyy)

Jeffrey Brett Rubin
Respondent

Accepted by FINRA

3/7/13
Date

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

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