

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011027239701**

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

**RE: Jerome Fritsche, Respondent
General Securities Representative
CRD No. 214946**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Jerome Fritsche ("Respondent") submits 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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

Respondent entered the securities industry in 1972, when he became registered as a General Securities Representative ("GSR") through his association with a member firm. Subsequently, he was associated with various member firms where he was registered as a GSR and a General Sales Securities Supervisor, at different points in time. From February 2009 to April 2010, Respondent was associated with Ridgeway & Conger, Inc. (the "Firm") where he was registered as a GSR. Since November 2011, he has been associated with another member firm where he is currently registered as a GSR. He has no disciplinary history.

OVERVIEW

Respondent engaged in private securities transaction without prior notice to or approval from the Firm in violation of NASD Conduct Rule 3040 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

In 2009, while registered with the Firm, Respondent participated in private securities transactions by selling promissory notes (the "15% Annualized Corporate Fee Based Note") for the purpose of raising money for a corporate finance entity that Respondent had created. Respondent sold the notes to approximately 5 investors, raising a total of \$60,000.00, for which Respondent was anticipated to receive compensation. None of the investors were customers of the Firm. Respondent failed to provide prior written notification to the Firm, and failed to obtain prior written permission from the Firm to participate in these private securities transactions. Moreover, he failed to disclose these private securities transactions when completing the Firm's annual compliance questionnaire in 2009.

The foregoing conduct constitutes a violation of NASD Conduct Rule 3040 and FINRA Rule 2010.

B. Respondent also consents to the imposition of the following sanction:

- A suspension from association with any FINRA member firm in any capacity for twenty (20) business days.

Respondent has submitted a sworn financial statement and demonstrated an inability to pay. In light of the financial status of Respondent, no monetary sanctions have been imposed.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes 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, Respondent 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 sanction imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against Respondent;
- 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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives 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

Respondent understands 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's 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. Respondent 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. Respondent 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 Respondent's: (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. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has 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 Respondent to submit it.

11/27/2013
Date (mm/dd/yyyy)

Jerome L. Fritsche, II
Jerome Fritsche, Respondent

Accepted by FINRA:

12/20/13
Date

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

Soo H. Im
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