

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011027318601**

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

RE: Fred Galovich, Respondent
Registered Representative
CRD No. 217097

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

Galovich entered the securities industry as a General Securities Representative in 1975 and has been registered with several firms since then. From August 2003 through September 3, 2013, Galovich was registered as a General Securities Representative at WRP Investments, Inc., a FINRA-registered firm. As of September 4, 2013, Galovich's registration with FINRA terminated.

RELEVANT DISCIPLINARY HISTORY

Galovich has no relevant disciplinary history.

OVERVIEW

Galovich sent customized account summaries to his customer that materially overstated the total value of the customer's portfolio holdings in violation of NASD Rules 2210(d)(1)(B) and 2110.

FACTS AND VIOLATIVE CONDUCT

From 2000 to 2007, Galovich sent a customer customized account summaries that overstated the actual value of the customer's account. Specifically, for each year from 2000 through 2007, the account summaries were overstated by the following amounts, \$694,192, \$1,010,421, \$964,639, \$1,062,823, \$993,395, \$1,202,171, \$1,192,400, and \$1,221,443, respectively.

The customer had requested that Galovich prepare the above account summaries and had received the account summaries, in addition to receiving official account statements from the mutual fund company and invoices prepared by Galovich disclosing the advisory fee for services rendered, which was based on the accurate valuation of the customer's account. Galovich was negligent in failing to ensure that the account summaries he sent accurately reflected the customer's account value. As a result of the foregoing conduct, Galovich violated NASD Rules and 2210(d)(1)(B) and 2110.

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

A suspension of 20 business days from association with any FINRA-registered firm in any capacity, and a fine of \$5,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 20 business day 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. 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 prejudice 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

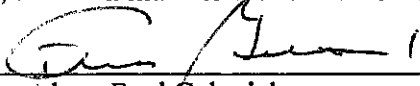
C. If accepted:

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: (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 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.

9-23-13
Date (mm/dd/yyyy)


Respondent, Fred Galovich

Reviewed by:

James A McGovern 9/26/2013
James McGovern
Counsel for Respondent
Marshall Dennehey Warner Coleman & Coggin
600 Grant St., Ste. 2900
Pittsburgh, PA 15219
(412)803-1180

Accepted by FINRA:

10/2/13
Date

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

Miki Vucic Tesija
Miki Vucic Tesija
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FINRA Department of Enforcement
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