

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20110283273**

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

RE: James (Jeb) Edward Barram, Respondent
CRD No. 4505735

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, James (Jeb) Edward Barram ("Barram"), 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

Barram entered the securities industry in February 2002 when he became employed with a FINRA member firm in a non-registered capacity. He left that employer in June 2002. In December 2005, Barram returned to the securities industry as a registered representative trainee with State Farm VP Management Corp. ("State Farm" or the "Firm"), a FINRA member, and was approved as a registered representative in February 2008. On June 17, 2011, State Farm terminated Barram's securities registration and filed a Uniform Termination Notice for Securities Industry Registration ("Form U5"), which stated, "Individual's registration termination as individual is inactive in the firm's securities business."

Although Barram is no longer employed by a FINRA member firm, pursuant to Article V, Section 4 of FINRA's By-Laws, FINRA maintains jurisdiction over Barram.

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OVERVIEW

Barram violated Article V, Section 2 of FINRA's By-Laws and FINRA Rules 1122 and 2010 by failing to amend his Uniform Application for Securities Industry Registration ("Form U4") to reflect that he had been charged with misdemeanors involving fraud and forgery, charged with two felonies, and pled guilty to two misdemeanor charges involving forgery.

FACTS AND VIOLATIVE CONDUCT

Relevant Rules

Article V, Section 2 of FINRA's By-Laws requires that a person applying for registration with FINRA disclose certain information. At all times, the applicant is required to keep his application current by timely filing amendments.¹

FINRA Rule 1122 states that, "No member or person associated with a member shall file with FINRA information with respect to membership or registration which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof."

FINRA Rule 2010 states that a "member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade."

Circumstances Leading to Criminal Charges and Guilty Plea

In or about November 2006, Barram sustained a significant neck injury during an athletic event. Subsequently, Barram saw a doctor who prescribed a long-term regimen of prescription pain medication in order for Barram to cope with the effects of this injury.

On or about April 9, 2010, Barram was arrested by the Marion County Sheriff's Department in Marion County, Oregon for forging prescriptions for prescription medications on two occasions on March 4, 2010. On April 29, 2010, Barram was arraigned in the Marion County Circuit Court of the State of Oregon for the Third Judicial District (the "Circuit Court") and charged with one misdemeanor count of Acquiring a Controlled Substance by Fraud in violation of §475.916(1) of the Oregon Revised Statutes (the "Statutes") and one misdemeanor count of Forgery in the Second Degree in violation of §165.007 of the Statutes.

On June 6, 2010, the misdemeanor counts were amended and Barram was charged with two felony counts of Tampering with Drug Records in violation of §167.212

¹ See Article V, Section 2(c) of the FINRA By-Laws. The applicant is required to file an amendment to his application within 30 days of learning of facts that are required to be disclosed. If such amendment involves a statutory disqualification, such amendment shall be filed not later than ten days after such disqualification occurs.

of the Statutes, which states, in relevant part, “(1) A person commits the crime of tampering with drug records if the person knowingly: (c) Makes or utters a false or forged prescription or false or forged official written order for controlled substances....” That same day, Barram pled guilty to two reduced misdemeanor counts of Tampering with Drug Records in violation of §167.212 of the Statutes.

Barram’s Failure to Update His Form U4

On or about January 18, 2006, Barram signed and submitted an initial Form U4 for registration with State Farm. Question 14A(1)(b) of the Form U4 asks, “Have you ever been *charged* with any *felony*?” (emphasis in original). Question 14B(1)(a) of the Form U4 asks, “Have you ever been convicted of or pled guilty or nolo contendere (“no contest”)...to a *misdemeanor involving*...any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?” (emphasis in original). Question 14B(1)(b) of the Form U4 asks, “Have you ever been *charged* with a *misdemeanor* specified in [question] 14B(1)(a)?” (emphasis in original). Barram responded “NO” to the criminal disclosure questions, as he had not yet been charged with any misdemeanors or felonies. Barram signed the Form U4 attesting to the completeness and accuracy of the form. The attestation paragraphs included the following:

I understand and certify that the representations in this form apply to all employers with whom I seek registration as indicated in Items 4 and 10 of this form. I agree to update this form by causing an amendment to be filed on a timely basis whenever changes occur to answers previously reported. Further, I represent that, to the extent any information previously submitted is not amended, the information provided in this form is currently accurate and complete.

Between April 29, 2010 and June 17, 2011, Barram failed to report his misdemeanor fraud and forgery charges to State Farm and allowed his Form U4 to contain a false response to a criminal disclosure question. Barram was required to amend his Form U4 to include an affirmative response to Question 14B(1)(b) to reflect his April 29, 2010 misdemeanor fraud and forgery charges, but failed to do so.

Between June 6, 2010 and June 17, 2011, Barram failed to report his felony charges of Tampering with Drug Records to State Farm and allowed his Form U4 to contain a false response to a criminal disclosure question. Barram was required to amend his Form U4 to include an affirmative response to Question 14A(1)(b) to reflect his June 6, 2010 felony charges for Tampering with Drug Records, but failed to do so.

Between June 6, 2010 and June 17, 2011, Barram failed to report his guilty plea to two misdemeanor counts of Tampering with Drug Records and allowed his Form U4 to contain a false response to a criminal disclosure question. Barram was required to amend his Form U4 to include an affirmative response to Question 14B(1)(a) to reflect his June 6, 2010 guilty plea to two misdemeanor counts of Tampering with Drug Records, but failed to do so.

Accordingly, Barram's failure to amend his Form U4 violated Article V, Section 2 of FINRA's By-Laws and FINRA Rules 2010 and 1122.

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

- Three-month suspension from association with any FINRA member in any capacity; and a
- \$2,500 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm following the three-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. 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:
 - 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

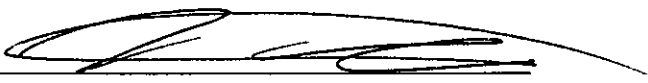
the subject matter thereof in accordance with FINRA Rule 8313; and

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.

- 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.

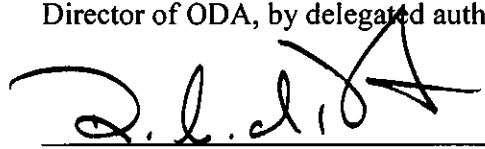
07/01/2012
Date (mm/dd/yyyy)


James (Jeb) Edward Barram
Respondent

Accepted by FINRA:

7-12-12
Date

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


Richard R. Best
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FINRA Department of Enforcement
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