

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
AMENDED LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011029690201**

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

RE: Anthony Joseph Sarris, Respondent
Former Registered Representative
CRD No. 2216746

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Anthony Joseph Sarris ("Sarris" or "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 Sarris alleging violations arising out of events described herein.

I.

ACCEPTANCE AND CONSENT

- A. Sarris 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

Sarris entered the securities industry in 2001 as a General Securities Representative and Investment Advisor Representative. In April 2004, he became registered as a General Securities Representative with Royal Alliance Associates, Inc. ("Royal Alliance" or the "Firm"), and in September 2004, also registered as an Investment Advisor Representative with the Firm. Sarris' association with the Firm was terminated on September 23, 2011.

Although Sarris has not been associated with a FINRA-regulated firm since September 23, 2011, FINRA retains jurisdiction over Sarris pursuant to Article V, Section 4 of the By-Laws.

RELEVANT DISCIPLINARY HISTORY

Sarris does not have any prior disciplinary history in the securities industry.

OVERVIEW

Between April 2004 and September 2011 (the "Relevant Period") while registered with Royal Alliance, Sarris participated in private securities transactions without providing prior written notice to and receiving approval from the Firm. Specifically, Sarris referred clients to an investment advisor who sold them private funds offered by the Draseena Funds Group Corp. ("Draseena"). It was later determined that the investors' funds were used in furtherance of a Ponzi scheme.

FACTS AND VIOLATIVE CONDUCT

Sarris' Business Activities

While associated with Royal Alliance, Sarris was approved to engage in outside business activities consisting of insurance and fixed annuity sales. He conducted these activities from a registered branch office of the Firm, doing business as First Financial Resources. In furtherance of his outside business, Sarris conducted estate planning seminars and held meetings and corresponded with prospective and existing insurance clients. Sarris and his father ES were listed as the principals of First Financial Resources in advertisements that appeared on the Internet. ES, who was not licensed or registered with the Firm during the Relevant Period, operated an investment advisory firm that was registered in New Jersey and Pennsylvania.

While conducting his outside business activities, Sarris referred his life insurance clients to ES, Sarris's father. These clients were not customers of Royal Alliance. ES solicited them to invest in funds of securities offered by Draseena, often at meetings attended by Sarris. The Draseena funds were marketed by ES as a complete "hedge" or riskless investment strategy that never lost money and consistently returned in excess of 13% per year on average. It was subsequently determined that the person who controlled Draseena used most of the investors' funds in furtherance of a Ponzi scheme. Among the investors whom Sarris referred to ES during the Relevant Period, 14 invested amounts ranging from \$124,000 to more than \$3 million in the Draseena funds. Seven individuals lost their entire investments of \$124,000 to \$436,600, and the others each lost between \$204,098 and \$3,829,130. Collectively, these losses totaled \$7,593,021.00.

By way of example, in or about April 2004, Sarris held an estate planning seminar. ES was introduced at the seminar as an estate planning advisor. Investors DM and AM attended the seminar and, soon after, met with Sarris and ES at Sarris' registered branch office of the Firm. DM and AM were not customers of Royal Alliance. DM and AM subsequently purchased a life insurance policy through Sarris and invested over \$430,000 in the Draseena funds through ES. DM and AM lost approximately \$306,000 of their investment in the Draseena funds as a result of the Ponzi scheme.

Private Securities Transactions

NASD Rule 3040 requires an associated person to provide written notice to his or her FINRA-regulated broker-dealer firm prior to participating in any private securities transaction, which is defined as any securities transaction outside of the scope of the associated person's employment. The notice must describe in detail the proposed transaction, the person's proposed role in it, and any compensation the person might receive in connection with the transaction. An associated person is prohibited from participating in any manner in the private securities transaction, whether the individual sells the security directly or merely refers a customer to the seller, without the approval of his or her FINRA-regulated firm.

NASD Rule 2110 and FINRA Rule 2010 require the observance of "high standards of commercial honor and just and equitable principles of trade."

Sarris failed to provide Royal Alliance with any notice that he would be referring investors to a third party investment advisor, as required by NASD Rule 3040 and the written policies and procedures of his Firm.

By participating in private securities transactions without giving his FINRA-regulated broker-dealer employer written notice of his intentions and receiving the Firm's approval, Sarris violated NASD Rule 3040. By virtue of violating Rule 3040, Sarris also violated NASD Rule 2110 and FINRA Rule 2010.

B. Sarris consents to the imposition of the following sanctions:

1. A suspension from association with any FINRA member firm in any capacity for two years; and
2. An order to pay restitution of \$85,000 to the individuals identified in Attachment A.

Sarris 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, he 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).

Restitution is ordered to be paid to the individuals listed on Attachment A hereto in the total amount of \$85,000, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from the date this AWC is accepted by the NAC until the date restitution is fully paid. Payment of the restitution shall be a prerequisite either to reassociation with a member firm following the suspension, or to any application or request for relief from any statutory disqualification.

Sarris has submitted a sworn financial statement and demonstrated an inability to pay full restitution immediately upon issuance of the AWC. In light of Sarris' financial status, restitution of \$85,000 to the customers listed in Attachment A shall be payable in five installments, commencing with the first payment to be made on the 15th day of the month following notice that this AWC has been accepted and every 60 days thereafter. The final installment payment of restitution shall include interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from the date this AWC is accepted by the NAC until the date the final installment payment is made.

Sarris shall submit satisfactory proof of payment of restitution or of reasonable and documented efforts undertaken to effect restitution after each payment due under the installment plan. Such proof shall be submitted to Sharon Tilove-Navatta, FINRA Enforcement Department, One World Financial Center, 200 Liberty Street New York, NY 10281-1003 either by letter that identifies Sarris and case number 20110296902 and includes a copy of the check, money order or other method of payment or by e-mail, with pdf copies of the payment documentation, to EnforcementNotice@FINRA.org. and to Sharon.Tilove@FINRA.org. This proof shall be provided to the FINRA staff member listed herein no later than 15 days after each payment is due.

If for any reason Sarris cannot locate any customer identified in Attachment A after reasonable and documented efforts within 15 days from the date each payment is due under the installment plan, or such additional period agreed to by a FINRA staff member in writing, Sarris shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property or abandoned property fund for the state in which the customer is last known to have resided. Respondent shall provide satisfactory proof of such action to the FINRA staff member identified above and in the manner described above, within 14 days of forwarding the undistributed restitution and interest to the appropriate state authority.

Respondent has specifically and voluntarily waived any right to claim an inability to pay at any time hereafter the monetary sanctions imposed in this matter. The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Complaint issued specifying the allegations against him;
- 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, Sarris 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.

Sarris 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

Sarris 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 him; and
- C. If accepted:
 - 1. this AWC will become part of Sarris' permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
 - 2. this AWC will be made available through FINRA's public disclosure

program in response to public inquiries about Sarris' 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. Sarris 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. Sarris 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 Sarris' right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

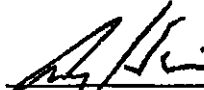
- D. Sarris may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct.

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.

Sarris 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 he 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 him to submit it.

4/17/13

Date



Anthony Joseph Sarris
Respondent

Reviewed by:

4/17/13

Date



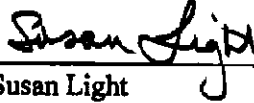
Gavin P. Lentz, Esquire
Bochetto & Lentz, P.C.
1524 Locust Street
Philadelphia, PA 19102
Counsel for Respondent

Accepted by FINRA:

5/7/13

Date

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



Susan Light
Senior Vice President and Chief Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street, 11th Floor
646-315-7333 (phone)
202-689-3411 (facsimile)

DOE v. ANTHONY J. SARRIS
ATTACHMENT A (AMENDED)

[illegible]