

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011030390601**

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

RE: Mark J. Nuovo, Respondent
Former Registered Representative
CRD No. 2010167

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

Mark Nuovo worked in the securities industry from 1989 to 2012. He was associated with numerous member firms during this time period and held the following securities licenses: Series 6, Series 7, Series 24, Series 53, Series 63, and Series 65.

Nuovo was a registered representative with Euro Pacific Capital, Inc. from July 2008 until his resignation on January 17, 2012. Euro Pacific reported on Nuovo's Form U5 that he was under internal review for engaging in private securities transactions and for undisclosed outside business activities when he resigned. Nuovo has not associated with a FINRA member since resigning from Euro Pacific. However, FINRA retains jurisdiction over Nuovo pursuant to Article V, Section 4(a) of the FINRA By-Laws.

RELEVANT DISCIPLINARY HISTORY

On May 31, 2013, the Washington State Department of Financial Institutions,

Division of Securities entered Consent Order No. S-12-1035-13-CO01 against Nuovo, finding that Nuovo: (1) participated in private securities transactions in violation of NASD Rule 3040; (2) failed to disclose his outside business activities to Euro Pacific; (3) made material misstatements in connection with sales of securities; and (4) filed false Form U4s with the state. By the terms of the Consent Order, Nuovo is barred from registering to sell securities in the State of Washington.

FACTS AND VIOLATIVE CONDUCT

Facts

Between June 2010 and July 2011, Nuovo introduced eleven people, including ten Euro Pacific customers, to a promoter who sold securities offered by GCA. GCA purportedly sold and serviced group medical insurance through membership organizations or other large groups.¹

Seven individuals introduced to the promoter of GCA by Nuovo invested a total of \$2.55 million in securities offered by GCA. Nuovo also personally invested \$75,000 in GCA securities.

Nuovo was paid approximately \$107,500 for referring investors to GCA. He did not disclose to potential investors that he would receive compensation for referring them to GCA. Nuovo also misled many of the potential investors by suggesting that he had personally invested between \$300,000 and \$1,000,000 in GCA and that the success of GCA would allow him to retire early. In addition, Nuovo gave some potential investors misleading materials created by GCA that included overstatements about of the success of GCA's business, falsely projected that the investment would return 100% of principal in 12 months, and falsely projected that the investment would provide an annual yield of 1200%.

Nuovo did not disclose any his activities relating to GCA to Euro Pacific. In fact, Nuovo concealed his activity from the firm by using his personal email address and cell phone number to conduct GCA-related business. Nuovo also falsely stated that he was not involved in any private securities transactions on two compliance forms he submitted to Euro Pacific in January 2011 and November 2011.

In July 2010, Nuovo set up an entity called Skyfire Capital, LLC, which he intended to use for various business purposes unrelated to his employment with Euro Pacific, including to contract with GCA for receipt of referral fees and to hold his personal GCA investments. Nuovo also established bank accounts and credit cards for Skyfire that he used to pay for various business expenses that were unrelated to his employment at Euro Pacific. Nuovo did not disclose his

¹ On June 17, 2013, the Securities and Exchange Commission filed a complaint in the United States District Court for the Northern District of Texas charging two executives of GCA with fraud. The SEC's complaint alleges that the two executives operated GCA as a Ponzi scheme. See SEC Press Release No. 2013-113.

creation of or activities in Skyfire to Euro Pacific. In fact, Nuovo falsely stated to Euro Pacific that he was engaged in only one outside business activity, an entity called Euro Pacific Precious Metals, on three compliance forms he submitted to Euro Pacific between June 2010 and November 2011.

While employed at Euro Pacific, Nuovo held two securities accounts at an outside broker-dealer that he had opened before joining the firm. Nuovo did not disclose those accounts to Euro Pacific.

Violations

NASD Rule 3040 requires that, before participating in a private securities transaction, a registered representative provide written notice to his or her member firm describing the proposed transaction, his or her role in the transaction, and whether he or she may receive compensation for the transaction. A private securities transaction is any securities transaction outside the regular course or scope of an associated person's employment with his or her firm. Rule 3040 applies to participation in any manner in a private securities transaction, including purchases by an associated person and referrals of customers to a seller in return for compensation. By participating in the sale of GCA securities, as described above, without disclosing his participation to Euro Pacific, Nuovo violated NASD Rule 3040. By virtue of violating Rule 3040, Nuovo also violated FINRA Rule 2010.

FINRA Rule 2010 requires that a registered representative observe high standards of commercial honor and just and equitable principles of trade. Nuovo violated Rule 2010 by providing potential investors in GCA with materials that contained false and misleading statements about GCA and the securities it offered, and by falsely stating to potential investors in GCA the amount of his own personal investments in GCA. Nuovo also violated Rule 2010 by falsely stating on at least five firm compliance forms that he was not engaged in private securities transactions or outside business activities.

FINRA Rule 3270 and its predecessor, NASD Rule 3030, require a registered representative to provide his member firm with prompt written notice of involvement in any outside business activities. By failing to disclose his involvement in Skyfire to Euro Pacific, Nuovo violated NASD Rule 3030 for conduct before December 15, 2010 and FINRA Rule 3270 for conduct beginning on December 15, 2010. By virtue of these violations, Nuovo also violated FINRA Rule 2010.

NASD Rule 3050(c) requires a registered representative to report to his member firm, in writing, any securities accounts held away from the firm. By failing to provide written notice of two outside securities accounts to Euro Pacific, Nuovo violated Rule 3050(c).

- B. I also consent to the imposition of a bar from associating with any FINRA broker-

dealer in any capacity.¹

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.

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.

¹ Respondent has asserted an inability to pay and has submitted a sworn financial statement. In light of the financial status of Respondent, no monetary sanctions have been imposed.

III.

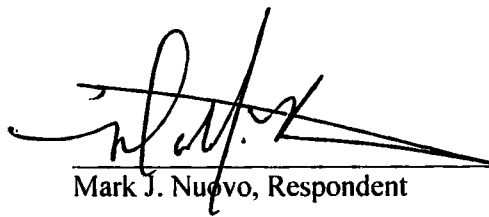
OTHER MATTERS

I understand that:

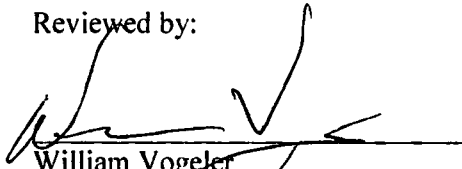
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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.

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.

08.28.13
Date (mm/dd/yyyy)


Mark J. Nuovo, Respondent

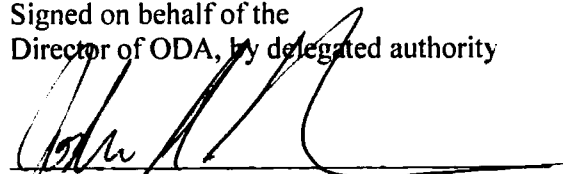
Reviewed by:


William Vogeler
Counsel for Respondent
Gruenbeck & Vogeler
9110 Irvine Center Drive
Irvine, CA 92618
(949) 453-1874

Accepted by FINRA:

09/18/2013
Date

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

A handwritten signature in black ink, appearing to read 'Joshua R. Doolittle', written over a horizontal line.

Joshua R. Doolittle
Director, Enforcement Center
FINRA Department of Enforcement
15200 Omega Drive, Third Floor
Rockville, MD 20850
(301) 258-8523 (t)
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