

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20120317482-02**

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

**RE: David M. Joyce, Respondent
General Securities Representative
Municipal Securities Representative
Municipal Securities Principal
CRD No. 4462324**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, David M. Joyce ("Respondent" or "Joyce") 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 AND DISCIPLINARY HISTORY

Joyce became registered with a FINRA member on November 15, 2001. From November 2001 to June 2014, Joyce was registered as a General Securities Representative with five FINRA-member firms. From January 9, 2008 through January 17, 2014, Joyce was registered with FINRA member Kildare Capital, Inc. ("KCAP" or the "firm") as a Municipal Securities Representative. From August 17, 2011 to January 17, 2014, Joyce was registered as a General Securities Representative at KCAP; and from May 9, 2011 to January 17, 2014, Joyce was registered as a Municipal Securities Principal at KCAP.

On January 17, 2014, KCAP filed a Form U5, which indicated that Joyce's employment was voluntarily terminated at KCAP. On June 13, 2014, the last FINRA member to have employed Joyce filed a Form U5 indicating that Joyce's employment was voluntarily terminated.

Respondent is not currently registered with a FINRA member. Pursuant to Article V, Section 4 of FINRA's By-Laws, FINRA retains jurisdiction over Respondent until June

10, 2016.

Respondent has no disciplinary history.

SUMMARY

In 20120317482, the staff in the Fixed Income Investigations Section of FINRA's Department of Market Regulation (the "staff") conducted a review of municipal securities transactions executed by KCAP during the period May 1, 2009 through September 30, 2011 (the "review period") to determine whether certain round-trip transactions executed at close temporal proximity with an inter-dealer broker were bona-fide. The review revealed that Joyce was responsible for one round-trip transaction that was executed at nearly simultaneous times and with no apparent change in beneficial ownership. The round-trip transaction had the effect of raising the inter-dealer price in the relevant security.

The conduct described above constitutes a violation of MSRB Rule G-17.

The staff, during its investigation, requested a signed written statement from Joyce, and conducted an on-the-record interview with him. In the written statement, Joyce claimed that the round-trip transaction was executed to provide compensation to the inter-dealer broker for conducting a bid-wanted for the security that was ultimately unsuccessful. Before Joyce's on-the-record interview with the staff began, he acknowledged that his written statement to the staff about the inter-dealer broker conducting a bid-wanted on his behalf was false.

The conduct described above constitutes a violation of FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

During the review period, Joyce was a trader on KCAP's Philadelphia municipal securities desk. Joyce had no supervisory responsibilities at KCAP during the review period.

On July 7, 2010, Joyce purchased 160 bonds issued by the Colorado Education & Cultural Facilities Cesar Chavez Charter School ("Cesar Chavez bonds") at 85.276 on an Alternative Trading System.

On July 14, 2010, Joyce consented and agreed to a pre-arranged, round-trip transaction in the Cesar Chavez bonds with an inter-dealer broker. Within a two-second period, another KCAP trader, with Joyce's agreement, sold 100 bonds to the inter-dealer broker at 91.561 and re-purchased the bonds at 91.811.

On July 23, 2010 and August 16, 2010, in three separate transactions, Joyce sold the bonds on an Alternative Trading System to other broker-dealers at prices from 90.05 to 94.651, for a profit of \$12,076.40.

On December 28, 2012, in a signed written statement submitted to FINRA pursuant to FINRA Rule 8210, Joyce claimed that the inter-dealer broker conducted a bid wanted auction for the bonds but which did not result in a trade. Joyce further claimed he executed the round-trip transaction described above to pay the broker a nominal commission for its efforts.

Before his on-the-record interview with the staff began, Joyce acknowledged that his signed statement submitted to the staff was false because there was no bid-wanted auction. Joyce testified that he executed the round-trip transaction because there was an adverse disclosure on the Cesar Chavez bonds on July 10, 2010, that made him nervous and he thought that paying the inter-dealer broker a small commission would help him sell the bonds.

The pre-arranged transaction on July 14, 2010, was executed 6.285 points higher than Joyce's acquisition cost from one week earlier, reported, and publicly disseminated to other market participants through EMMA (Electronic Municipal Market Access).

The pre-arranged transaction on July 14, 2010, lacked a legitimate economic purpose and resulted in no change in beneficial ownership. Accordingly, Joyce violated MSRB Rule G-17.

Joyce's written statement submitted to FINRA on December 28, 2012, contained a false statement concerning a bid-wanted auction conducted on his behalf. Accordingly, Joyce violated FINRA Rules 8210 and 2010.

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

- A \$25,000 fine (\$15,000 for the FINRA Rule 8210 violation and \$10,000 for the MSRB Rule G-17 violation); and
- A 12 month suspension from association with any FINRA member in all capacities (11 months for the FINRA Rule 8210 violation and one month for the MSRB Rule G-17 violation).

Respondent understands that if he is 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, as amended. Accordingly, he may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the suspension (See FINRA Rules 8310 and 8311.).

The fine shall be due and payable either immediately upon reassociation with a member firm following the 12 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.

Respondent specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

The sanctions 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 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, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, 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 accordance with FINRA Rule 8313;**
 - 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 he agrees to the AWC's 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, have been made to induce him to submit it.

6/3/16
Date

Respondent

By: David Joyce

Name: David Joyce

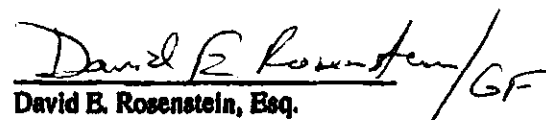
Reviewed by:


Paula D. Shaffner, Esq.
Counsel for Respondent
Stradley Ronon Stevens & Young, LLP
2005 Market Street, Suite 2600
Philadelphia, Pennsylvania 19103

Accepted by FINRA:

6/8/16
Date

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


David E. Rosenstein, Esq.
Senior Vice President
FINRA Department of Market Regulation