

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012031848301**

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

RE: David J. Raabe, Respondent
CRD No. 2148468

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

David J. Raabe ("Raabe") entered the securities industry in 1998 as a General Securities Representative of a FINRA-registered firm, and currently holds Series 7 and 63 licenses. On July 14, 1995, Raabe became associated with National City Investments, Inc. ("National City"). On March 31, 2009, FINRA regulated firm Raymond James & Associates, Inc. ("Raymond James" or the "Firm") acquired National City, and Raabe became associate with Raymond James. From March 2009 through the present, Raabe has been associated with Raymond James. FINRA retains jurisdiction over Raabe pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Raabe has no prior disciplinary history.

OVERVIEW

Between March 2009 and April 2010 (the "Relevant Period"), while associated with Raymond James, Raabe engaged in business activity outside the scope of his employment with the Firm. During 2008, Raabe was elected to serve on the board of directors for Veriana Networks, Inc. ("Veriana"), a technology start-up based in Marion, Indiana. From March 2009, when Raabe became associated with Raymond James, through April 2010, Raabe acted as a director for Veriana without obtaining prior approval to engage in the activity from the Firm's home office. In so doing, Raabe violated NASD Rule 3030 and FINRA Rules 3270 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3270, and its predecessor rule NASD Rule 3030, prohibit associated persons from engaging in outside employment activity or accepting compensation outside the scope of their member-firm employer, unless the registered person provides written notice to their firm, in such form as specified by their firm. NASD Rule 3030 was effective until December 14, 2010 and FINRA Rule 3270 has been effective thereafter.

FINRA Rule 2010 requires adherence to high standards of commercial honor and just and equitable principles of trade while conducting business.

Further, the Raymond James Compliance Policies and Supervisory Procedures in effect during the Relevant Period prohibited registered individuals from "[m]aintain[ing] outside business activities without prior approval of the home office."

Raabe became associated with Raymond James in March 2009, when the Firm acquired Raabe's previous employer, National City Investments, Inc. ("National City"). During 2008, before Raymond James acquired National City, Raabe was elected to serve on the Board of Directors of a Marion, Indiana based technology start-up called Veriana Networks, Inc. ("Veriana") and began serving as a director for Veriana. From March 2009, when Raabe became associated with Raymond James, through April 2010, Raabe continued to act as a director for Veriana without obtaining approval to engage in the activity from the Firm's home office.

By virtue of engaging in the above-described conduct, Raabe violated NASD Rule 3030, and FINRA Rules 3270 and 2010.

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

1. A fifteen business-day suspension from association with any FINRA member in any capacity; and
2. A \$5,000 fine.

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 Section 3(a) (39) of the Securities Exchange Act of 1934, as amended. 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.

I further, 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: (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.

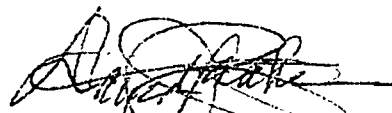
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

I certify that I have 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.

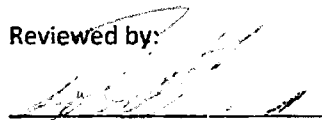
12/12/13

Date



David Raabe
Respondent

Reviewed by:



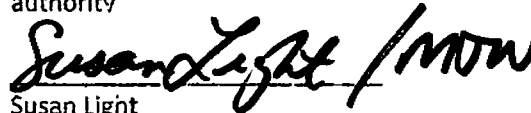
Robert L. Hartley, Esq.
Frost Brown Todd LLC
201 North Illinois Street
Suite 1900
Indianapolis, IN 46204

Accepted by FINRA:

12/16/13

Date

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



Susan Light
Sr. Vice President and Chief Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street
New York, NY 10281