

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012033249301**

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

RE: Russell M. Eaton, Respondent
General Securities Representative and General Securities Principal
CRD No. 2975709

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

Eaton first became registered with a FINRA member firm in January 1998. Eaton became registered with FINRA member firm LPL Financial LLC ("LPL") as a General Securities Representative on or about February 10, 2006, and as a General Securities Principal on or about April 10, 2006. He remained registered in both capacities until March 13, 2012, when LPL filed a Form U-5 with FINRA disclosing his voluntary termination. On July 9, 2012, LPL filed an amendment to Eaton's Form U5 disclosing a customer complaint which "allege[d] unsuitable investments in Exchange Traded Funds ('ETFs') and stocks from October 2009 through April 2012." Although Eaton is not currently associated with any FINRA member, FINRA retains jurisdiction over Eaton pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Eaton has no prior disciplinary history.

OVERVIEW

Eaton failed to respond timely to requests for information and failed to appear for testimony before FINRA, in violation of FINRA Rules 8210 and 2010. FINRA Rule 8210 requires a person subject to FINRA's jurisdiction to provide documents, testimony and information regarding any matter under investigation at FINRA staff's request. Eaton's failures to comply with FINRA's requests for information and testimony impeded FINRA's investigation of allegations that Eaton had recommended unsuitable investments to customers.

FACTS AND VIOLATIVE CONDUCT

1. Eaton Failed to Timely Respond to Requests for Information

By letter dated July 16, 2012, FINRA staff requested, pursuant to FINRA Rule 8210, that Eaton provide information regarding, among other things, his rationale for recommending certain ETF transactions. The letter requested that Eaton provide the information no later than July 30, 2012. Eaton failed to respond by the deadline.

FINRA staff then sent Eaton two additional letters pursuant to FINRA Rule 8210 requesting the same information, dated August 1 and August 16, 2012. Eaton again failed to respond.

On October 2, 2012 – more than two months after the deadline to respond to the first request for information – Eaton provided FINRA staff an untimely response to FINRA's July 16 request.

By failing to timely respond to requests for information, Eaton violated FINRA Rules 8210 and 2010.

2. Eaton Failed to Appear for Testimony

By letter to Eaton's counsel dated October 2, 2013, FINRA's Department of Enforcement requested, pursuant to FINRA Rule 8210, that Eaton appear for testimony on October 16, 2013 at FINRA's offices in Rockville, MD.

On October 14, 2013, Eaton, through counsel, informed Enforcement staff that he would not appear for testimony on October 16, 2013. Eaton did not appear on October 16, 2013 and, to date, has not provided the requested testimony.

By refusing to appear for testimony, Eaton violated FINRA Rules 8210 and 2010.

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

- A bar from association with any FINRA member firm in any capacity.

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.

III.

OTHER MATTERS

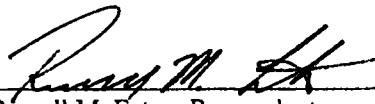
I understand that:

- 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

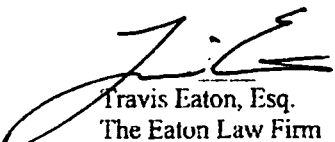
positions in litigation or other legal proceedings in which FINRA is not a party.

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.

11.19.13
Date (mm/dd/yyyy)


Russell M. Eaton, Respondent

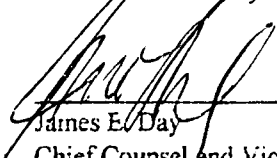
Reviewed by:


Travis Eaton, Esq.
The Eaton Law Firm
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Houston, TX 77070-1418
Telephone: 281-787-9804

Accepted by FINRA:

12/12/13
Date

Signed on behalf of the
Director of ODA by delegated authority


James E. Day
Chief Counsel and Vice President
FINRA Department of Enforcement
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Rockville, MD 20850
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