

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012034456902**

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

RE: Arnab Sarkar, Respondent
Former Investment Company Shares and Variable Contracts Representative
CRD No. 5511326

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

Arnab Sarkar was associated as an Investment Company Shares and Variable Contracts Representative with Northwestern Mutual Investment Services, LLC ("NMIS" or the "firm") from February 2009 to September 25, 2012, when he was permitted to resign. Sarkar is not currently associated with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4(a) of FINRA's By-Laws of the Corporation.

OVERVIEW

Between August and September 2012, Sarkar participated in a currency trading and real estate business named Denari Capital LLC without providing prior written notice of his involvement to NMIS. By failing to provide NMIS with such notice, Sarkar violated FINRA Rule 3270. As a result of his violation of FINRA Rule 3270, Sarkar also violated FINRA Rule 2010.

Also, in August 2012, Sarkar participated in a private securities transaction by soliciting an investment in Denari Capital without providing prior written notice to NMIS. Through this conduct, Sarkar violated NASD Rule 3040. As a result of his violation of NASD Rule 3040, Sarkar also violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Sarkar Failed to Disclose Outside Business Activities and Engaged in a Private Securities Transaction without Providing Prior Written Notice

Between August and September 2012, while registered with NMIS, Sarkar participated in a currency trading and real estate business named Denari Capital LLC. Sarkar signed an operating agreement as a member and manager of Denari. He also opened a bank account for Denari in his capacity as manager of the company along with two other former NMIS registered representatives, TC and BB. The currency trading and real estate business of Denari was outside the scope of the Sarkar's employment relationship with NMIS. Sarkar did not, however, provide prior notice to NMIS of his involvement with Denari.

In addition, Sarkar participated in the marketing and solicitation of investments in Denari from nine potential investors, including two NMIS customers, while he was associated with NMIS. One of these individuals, BB, purchased a \$300,000 interest in Denari while Sarkar was associated with NMIS. Sarkar failed to provide prior written notice to NMIS of BB's \$300,000 investment in Denari.

Violations

FINRA Rule 3270 provides that "[n]o registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated, or have the reasonable expectation of compensation, from any other person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to the member, in such form as specified by the member[.]" While associated with NMIS, Sarkar participated in an outside business activity, Denari Capital. By failing to disclose that outside business activity to NMIS, Sarkar violated FINRA Rule 3270. As a result of that violation, Sarkar also violated FINRA Rule 2010.

NASD Rule 3040 prohibits associated persons from participating in any manner in a private securities transaction except in accordance with the requirements of the rule and requires an associated person to provide written notice to his firm prior to participating in any private securities transaction. While associated with NMIS, Sarkar participated in a private securities transaction when he solicited a \$300,000 investment in Denari from BB without providing prior written notice to his former firm. Sarkar's failure to provide prior written notice of this private securities transaction violated NASD Rule 3040. As a result of that violation,

Sarkar also violated FINRA Rule 2010.

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

- A suspension from association with any FINRA member firm in all capacities for 30 business days; and,
- A fine of \$10,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 30 business day 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.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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.

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 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.

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:

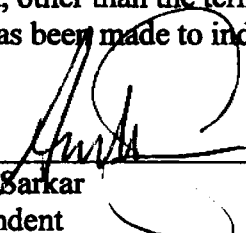
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will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

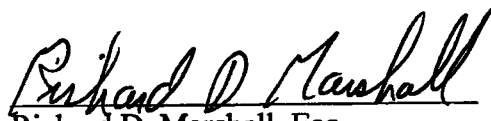
I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

06/11/2014
Date (mm/dd/yyyy)



Arnab Sarkar
Respondent

Reviewed by:

A handwritten signature in cursive script, reading "Richard D. Marshall", written over a horizontal line.

Richard D. Marshall, Esq.

Ropes & Gray LLP

1211 Avenue of the Americas

New York, NY 10036-8704

212.596.9006

Accepted by FINRA:

7/28/14
Date

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



Michael J. Rogal
Senior Counsel
FINRA Department of Enforcement
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Rockville, MD 20850-3241