

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2012034936003**

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

RE: Jason Price Lamb, Respondent
General Securities Principal and General Securities Representative
CRD No. 3248356

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

Jason Price Lamb has been associated as a General Securities Principal and General Securities Representative with Center Street Securities, Inc. ("Center Street" or "firm") since June 2009.

OVERVIEW

From approximately March 2012 to February 2013 (the "relevant period"), Lamb was a registered principal and Chief Compliance Officer ("CCO") at Center Street's headquarters located in Nashville, Tennessee. During the relevant period, Lamb failed to adequately supervise certain sales of GWG Renewable Secured Debentures, an illiquid and high-risk alternative investment, in violation of NASD Rule 3010 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

GWG Renewable Secured Debentures

GWG Holdings, Inc. ("GWG"), which was formed in 2006, purchases life insurance policies on the secondary market at a discount to the face value of the policies. Once GWG purchases a policy, it pays the policy premiums until the insured dies. GWG then collects the face value of the insurance benefit. GWG hopes to earn returns by collecting more upon the maturity of the policies than it has paid to purchase, finance and service the policies. The company has a limited operating history and is not yet profitable. GWG has purchased almost all of the policies it owns with funds borrowed from financial institutions or investors.

In 2012, GWG began selling what it called Renewable Secured Debentures. The minimum investment in the Debentures is \$25,000. Additional investments can be made in \$1,000 increments. The Debentures have varying maturity terms and interest rates, from six-month Debentures offering an annual interest rate 4.75% to seven-year Debentures offering 9.50%.

The prospectus for the Debentures states that the life insurance policies held by GWG are not collateral for obligations under the Debentures. Instead, those policies have been separately pledged as collateral for a line of credit used by GWG to purchase life insurance policies. As stated in the prospectus, the Debentures may be considered speculative investments and involve a high degree of risk, including the risk of loss of the entire investment. The prospectus states that the company's success is dependent upon, among other things, its continued ability to raise funds to pay its obligations, including interest payments under the Debentures.

An investment in the Debentures is also illiquid. Investors do not have access to their principal prior to maturity unless the request is due to death, bankruptcy or total disability. If GWG decides to prepay the Debentures other than under those circumstances, a prepayment fee of 6% may be charged. There is also no trading market for the Debentures. For these reasons, as the prospectus states, an investment in the Debentures is not suitable for investors who need liquidity prior to the Debenture's maturity date.

Debenture sales in various states are subject to specific suitability requirements. Such requirements are prominently displayed in the prospectus for the Debentures, as well as in certain versions of the application to purchase the Debentures.

Lamb Failed to Supervise Certain Sales of the Debentures by Center Street Representatives

Center Street is an organization of approximately 84 independent registered representatives located in approximately 67 branch offices nationwide. From March 2012 to the present, Center Street and its registered representatives offered and sold the Debentures to customers.

As Center Street's CCO, Lamb was responsible for the firm's compliance functions. This included, among other things, maintaining the firm's written supervisory procedures, overseeing the firm's compliance with advertising and sales practices requirements, providing training to the firm's registered representatives and supervision of two compliance department employees.

In addition to his general compliance responsibilities, during the relevant period Lamb would, on occasion, review and approve Debenture sales by Center Street's registered representatives. This would occur when the compliance department employee with primary responsibility for reviewing those transactions was not available. During the relevant period, Lamb approved certain Debenture transactions containing red flags.

For instance, Lamb:

- Approved certain Debenture purchases by customers, including elderly customers and retirees, whose conservative investment objectives were inconsistent with the speculative nature of the Debentures;
- Approved certain Debenture purchases that resulted in a high concentration of a customer's total investable assets or net worth in the Debentures. In some instances prior to April 2013 those Debenture sales exceeded the firm's unwritten internal guidelines regarding concentration of investments in alternative products, or exceeded state specific suitability requirements;¹ and,
- Approved one Debenture sale where the application included an investment rationale provided to the customer that contained a misrepresentation about the liquidity of the Debentures.

Lamb understood the features and risks of the Debentures. However, despite the presence of red flags, Lamb failed to take reasonable steps to ensure the Debenture sales were suitable or had been accurately represented to customers. He approved the Debenture purchases without adequately considering whether those purchases were consistent with the customers' investment objectives, risk tolerances, financial conditions, ages, or liquidity needs. Nor did he consider whether the misrepresentation referred to above regarding the Debentures was accurate.

¹ In one instance, at the request of a registered representative, Lamb approved a Debenture transaction that another compliance employee had not approved because the customer was ineligible to purchase the Debentures under applicable state suitability rules. The transaction was also unsuitable because the customer invested in the Debentures in order to generate income to pay the mortgage on her home.

Violations

NASD Rule 3010 requires that member firms establish, maintain and enforce supervisory procedures that are reasonably designed to achieve compliance with applicable securities laws, regulations and FINRA rules. Rule 3010 requires that a supervisor take reasonable steps to ensure that securities transactions are in compliance with the applicable securities laws and rules, and that he or she investigate red flags of potential misconduct and take appropriate action when misconduct has occurred.

During the relevant period, Lamb failed to address red flags indicating that Debenture transactions that he approved may have been unsuitable or may have involved a misrepresentation to a customer. As a result, Lamb failed to supervise Debenture sales totaling approximately \$770,000 to nine customers in a manner reasonably designed to achieve compliance with the suitability requirements of FINRA and NASD rules. Therefore, Lamb violated NASD Rule 3010 and, as a result of that violation, violated FINRA Rule 2010.

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

(a) A suspension from association with any FINRA member in a principal capacity for two months; and,

(b) A fine of \$10,000.

I agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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 in a Principal capacity, 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 Principal capacity during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because I am subject to a statutory disqualification during the suspension, if I remain associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

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 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.

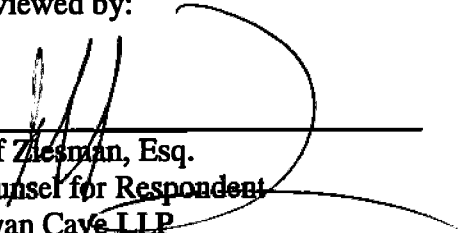
I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the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

7/24/2014
Date (mm/dd/yyyy)



Jason Price Lamb
Respondent

Reviewed by:

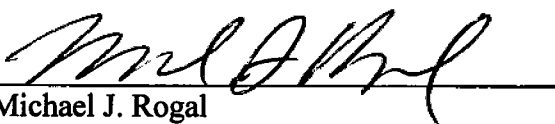


Jeff Ziesman, Esq.
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Accepted by FINRA:

8/12/14
Date

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



Michael J. Rogal
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