

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2012035252801**

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

RE: Daniel S. Jacobson, Respondent
Registered Representative
CRD No. 5025104

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

Daniel Jacobson entered the securities industry in December 2004 and has been associated with Torsiello Securities Inc. (CRD No. 130129) ("TSI") since that time. Jacobson holds the Series 7 and Series 63 securities licenses.

Jacobson has no relevant disciplinary history.

OVERVIEW

On November 29, 2012, Jacobson purchased 2,000 shares of Alterra Capital Holdings Ltd. stock. Jacobson's decision to purchase the Alterra shares was based on material, non-public information concerning a pending acquisition of Alterra by Markel Corporation which Jacobson misappropriated from his employer, whose president was a member of Alterra's Board of Directors. By virtue of his actions, Jacobson willfully violated Section 10(b) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 promulgated thereunder and violated FINRA Rule 2020 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

In 2012, TSI was comprised of two registered individuals, Jacobson and TSI's President and CEO, MT. Jacobson's responsibilities at TSI included administering TSI's domain and email system and assisting with MT's schedule and travel. In connection with these duties, Jacobson had unfettered access to MT's email and calendar.

In addition to his positions at TSI, MT was a member of the Board of Directors of Alterra from March 2000 until the acquisition of Alterra by Markel was completed in May 2013. Because MT often possessed material, non-public information about Alterra, TSI employees were prohibited from trading in Alterra stock without MT's prior permission.

Beginning in August 2012, representatives for Alterra and Markel began discussing a potential acquisition of Alterra by Markel. By mid-November 2012, the companies had agreed to actively pursue a transaction. Jacobson learned of the forthcoming acquisition through his work for TSI assisting MT and through his access to MT's email and schedule.

With knowledge that Alterra was in acquisition discussions with Markel, Jacobson purchased 2,000 shares of Alterra stock at \$23.25 and \$23.26 per share on November 29, 2012. Jacobson did not disclose his purchase of Alterra stock to MT.

Markel's acquisition of Alterra was publicly announced on the morning of December 19, 2012, and Alterra's stock price closed up 22% for the day. On January 23, 2013, Jacobson sold his shares of Alterra for approximately \$30.00 per share and realized a profit of approximately \$13,500.

By purchasing 2,000 shares of Alterra stock based on material, non-public information concerning acquisition discussions between Alterra and Markel that he misappropriated from his employer, Jacobson willfully violated Section 10(b) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 promulgated thereunder, FINRA Rule 2020, and FINRA Rule 2010.

- B. I also consent to the imposition of a permanent bar from associating with any FINRA member 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).

I understand that this settlement includes a finding that I willfully violated Section 10(b) of the Securities Exchange Act of 1934 and SEC Rule 10b-5 promulgated thereunder and that under Article III, Section 4 of FINRA's By-Laws, this makes me subject to a statutory disqualification

with respect to association with a member.

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;

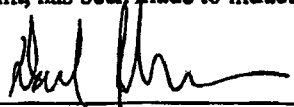
B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and

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.

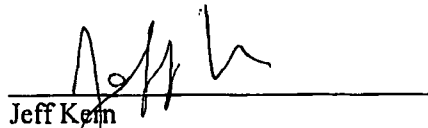
I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the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

12/06/2013
Date (mm/dd/yyyy)


Daniel S. Jacobson, Respondent

By: Daniel Jacobson

Reviewed by:



Jeff Kern
Counsel for Respondent
Sheppard Mullin Richter & Hampton LLP
30 Rockefeller Plaza
New York, NY 10112
(212) 653-8700

Accepted by FINRA:

12/20/2013
Date

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



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