

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013035537602**

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

RE: Jennifer L. Lo Grasso, Respondent
CRD No. 4678517

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Jennifer L. Lo Grasso, ("Respondent" or "Lo Grasso") 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

Lo Grasso first became registered with FINRA as a General Securities Representative in 2003 through a member firm. In 2006, she became registered as a General Securities Sales Supervisor. On February 19, 2009, Lo Grasso became registered as a General Securities Representative and General Securities Sales Supervisor with member firm UBS Financial Services Inc. ("UBS" or the "Firm"). On November 26, 2012, UBS filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") disclosing that Lo Grasso's employment was voluntarily terminated on November 16, 2012. Lo Grasso is not presently associated with a member firm. However, pursuant to Article V, Section 4 of FINRA's By-Laws, FINRA retains jurisdiction over her.

RELEVANT DISCIPLINARY HISTORY

Lo Grasso has no formal disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

OVERVIEW

Lo Grasso, who was a Complex Administrative Manager at UBS, failed to reasonably supervise the activities of SC, a Branch Control Officer of the Firm. SC caused falsified documents to be submitted to the Firm in connection with an internal audit. By reason of the foregoing, Lo Grasso violated NASD Conduct Rule 3010 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

In November 2012, the Firm's staff conducted an audit of the UBS branch where Lo Grasso worked. During the course of that audit, the branch was asked to produce, among other things, copies of marketing materials which were used by the Firm's registered representatives for past client events. Lo Grasso delegated this task to SC, who was a member of the Firm's compliance group.

As the audit progressed, Lo Grasso and SC became aware that the marketing materials requested by the audit staff were missing necessary information, including certain disclosures. SC then worked with other UBS employees to have that missing information added to the marketing materials. Subsequently, Lo Grasso and SC submitted the revised marketing materials for production to the audit staff, knowing that they had been altered and that they would be used in the audit. This caused the audit staff to believe that they had received correct and accurate marketing materials, when in fact they had not. By reason of the foregoing, SC violated FINRA Rule 2010.

In November 2012, Lo Grasso was responsible for supervising SC. Lo Grasso knew that during the audit, SC was working with the other UBS employees to have the missing information added to the marketing materials which would be produced to the audit staff. Lo Grasso, however, failed to make a reasonable inquiry or conduct an adequate follow-up or review as to whether SC's conduct in that regard was permissible. Lo Grasso also failed to take action to prevent SC from engaging in the conduct described above. By reason of the foregoing, Lo Grasso violated NASD Conduct Rule 3010 and FINRA Rule 2010.

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

- A three-month suspension from association with any FINRA member firm in any principal capacity and a \$10,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm following the three-month 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 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 a 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 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:

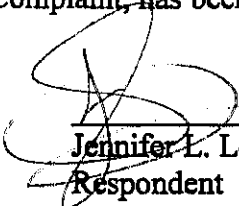
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will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

10/27/2014

Date (mm/dd/yyyy)


Jennifer L. Lo Grasso

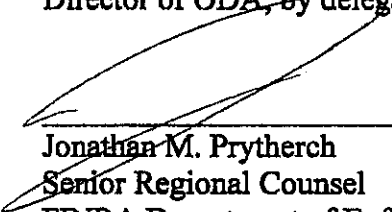
Respondent

Accepted by FINRA:

11/17/2014

Date

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


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