

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013036291901**

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

**RE: James F. Seramba, Respondent
General Securities Principal and
General Securities Representative
[CRD No. 2580051]**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, James F. Seramba, 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

Seramba entered the securities industry on March 7, 1995, as a General Securities Representative of a member of FINRA. Seramba, during all periods mentioned herein, was associated with LPL Financial LLC ("LPL" or "the Firm"), and was registered with FINRA under Article V of the By-Laws as a General Securities Principal and a General Securities Representative. Seramba's employment with LPL ended on March 17, 2013. Although Seramba is not currently registered with a FINRA member firm, he is subject to the jurisdiction of FINRA, pursuant to Article V, Section 4 of FINRA's By-Laws, which provides for a two-year period of retained jurisdiction over formerly registered persons. Seramba has no prior disciplinary history.

FACTS AND VIOLATIVE CONDUCT

Article V, Section 2(c) of FINRA By-Laws requires that "[e]very application for registration filed with [FINRA] shall be kept current at all times by supplementary amendments" and that "[s]uch amendment to the applications shall be filed with [FINRA] not later than 30 days after learning of the facts or circumstances giving rise to the amendment." Form U4 Question 14M asks if the applicant has any "unsatisfied judgments or liens."

FINRA Rule 2010 requires the observance of high standards of commercial honor and just and equitable principles of trade.

FINRA Rule 1122 prohibits filing with FINRA information regarding registration "which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof."

On June 4, 2012, Seramba discovered that a civil judgment related to his divorce ordering him to pay \$136,035 to his former wife had been entered against him as of that date. On June 14, 2012, in connection with becoming associated with a FINRA member firm, Seramba completed and submitted a Form U4. Although Form U4 Question 14M asks if the applicant has any "unsatisfied judgments or liens" and Seramba was aware of the June 4, 2012 judgment that had been entered against him, Seramba nevertheless answered "No" in response to that question.

By failing to disclose the June 4, 2012 civil judgment on his Form U4, as required, Seramba violated FINRA Rules 1112 and 2010, and Article V, Section 2 of the FINRA By-Laws.

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

A \$5,000 fine and one-month suspension in all capacities with any FINRA member firm against James F. Seramba.

The fine shall be due and payable either immediately upon reassociation with a member firm following the one-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, 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 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.

8/08/2013

Date (mm/dd/yyyy)



James F. Scramble, Respondent

Reviewed by:

Counsel for Respondent

Accepted by FINRA:

September 5, 2013

Date

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



**Sarah B. Belter, Senior Regional Counsel
 FINRA Department of Enforcement
 1100 Poydras Street
 Energy Centre, Suite 850
 New Orleans, Louisiana 70163-1108
 Phone: 504/522-6527; FAX: 504/522-4077**