

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013036705801**

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

RE: Frederic J. Jouhet, Respondent
Registered Representative
CRD No. 3014239

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

In April 1998, Frederic Jouhet ("Jouhet") entered the securities industry as a general securities representative with a FINRA registered firm. In March 2006, he became registered in the same capacity, as well as other capacities, with Oppenheimer & Co. Inc. Jouhet remained registered with Oppenheimer until January 4, 2013, at which time he voluntarily terminated his registration. Since then, he has not been registered with any other firm. Jouhet has no prior disciplinary history.

OVERVIEW

Jouhet engaged in private securities transactions without notification to his firm, in violation of NASD Rule 3040 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

NASD Rule 3040 prohibits a registered representative from participating in private securities transactions unless he provides written notice to his firm describing the proposed transaction, his role in that transaction and whether he will be receiving compensation.

In February 2006, Jouhet and another individual co-founded Ad-Med Biotechnology, LLC ("Ad-Med"), a medical research firm. Jouhet was named president of the company.

GG is a person Jouhet knew since the early 2000s, and GG became a customer of Oppenheimer shortly after Jouhet joined the firm in March 2006.

In June 2009, GG signed a Membership Interest Purchase Agreement and invested \$50,000 in exchange for a 2% ownership interest in Ad-Med. GG was a passive investor and never participated in the business of the company. The membership interests in Ad-Med constituted securities. Jouhet facilitated GG's investment in Ad-Med, a securities transaction, by, among other things, signing documentation evidencing GG's purchase.

In August 2010, Ad-Med was dissolved. Subsequently, GG, as well as other former Ad-Med members, signed an Operating Agreement with another medical research firm, and transferred their ownership interests to the new LLC entity. GG also never participated in the business of this company. Following the creation of this new LLC entity, GG and Jouhet acquired ownership interests of 2% and 50%, respectively, and Jouhet became its president. The membership interests in the new LLC entity also constituted securities. As he did in June 2009, Jouhet facilitated GG's investment in the new entity, a securities transaction, by, among other things, signing documentation evidencing GG's purchase.

Jouhet failed to provide written notice to Oppenheimer describing his securities transactions with GG and the role he played in them.

By failing to provide any notice to his firm of his participation in the securities transactions with GG, Jouhet violated NASD Rule 3040 and FINRA Rule 2010.

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

A 30 calendar-day suspension and a \$7,500 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 30 calendar-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 Respondent; 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.

12-1-14
Date


Frederic E. Jouhet

Reviewed by:

John A. Hubbard
Counsel for Respondent
Hubbard Snitchler & Parzianello PLLC
719 Griswold Street, Suite 620
Detroit, MI 48226

Accepted by FINRA:

12/12/14
Date

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


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