

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013036874902**

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

RE: Jeffrey L. Rittberger, Respondent
Former Registered Representative
CRD No. 5882038

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

Jeffrey L. Rittberger was registered as an investment company and variable contracts (Series 6) representative with The Huntington Investment Company (Huntington) from January 2011 through April 4, 2014, when he was terminated for allegedly violating a firm policy. While registered with Huntington, Rittberger was also employed as a personal banker with the firm's bank affiliate, The Huntington National Bank (Huntington Bank).

Rittberger has not been associated with a FINRA member since his termination from Huntington. Although Rittberger is not currently associated with a FINRA member, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

OVERVIEW

While registered with Huntington, Rittberger participated in the recommendation of purchases of municipal unit investment trusts (UITs) totaling approximately

\$198,000 to five customers. Rittberger failed to conduct reasonable diligence regarding the UITs prior to participating in the recommendations and therefore did not have an understanding of the product's potential risks and rewards. Accordingly, Rittberger did not have a reasonable basis to recommend the UITs to the customers. By failing to have a reasonable basis for believing the recommendations were suitable, Rittberger violated FINRA Rule 2111 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Rittberger's Role with Huntington

While registered with Huntington, Rittberger was a licensed personal banker in the Zanesville, Ohio branch of Huntington Bank. In that role, Rittberger worked in partnership with one or more general securities-licensed (Series 7) representatives. Rittberger's primary role as it related to Huntington was to identify potential securities customers and to generate initial interest in various securities investments on the part of those potential customers. If a potential customer was interested in purchasing a securities product, Rittberger would typically refer the customer to one of his colleagues who held a Series 7 license for completion of an investor profile and a more detailed description of the securities product. At times, before referring a customer to his colleague, Rittberger would perform an initial customer profile and complete some of the Huntington paperwork related to opening a securities account and purchasing a particular security. Rittberger generally did not participate in follow-up meetings between the customer and the Series 7 representative, nor did he take steps to confirm that such a follow-up meeting occurred.

The Municipal UITs

A UIT is a type of investment company that issues securities, typically called "units," representing undivided interests in a relatively fixed portfolio of securities. UITs are issued by a sponsor that assembles the UIT's portfolio of securities, deposits the securities into a trust, and sells units of the UIT in a public offering. UIT units are redeemable securities that are issued for a specific term, and entitle an investor to receive his or her proportionate share of the UIT's net assets on redemption or at termination. UIT portfolios are not actively managed and generally do not sell or replace the securities in the trust after the offering period closes.

During most of the time Rittberger was registered with Huntington, the firm offered multiple similar series of municipal-income UITs issued by the same product sponsor (collectively, the Municipal UITs).¹ The Municipal UITs each invested in a portfolio consisting of common stock of closed-end investment companies (known as closed-end funds or CEFs) selected by a third-party

¹ Huntington removed UITs from its list of approved products in December 2013.

portfolio consultant. The CEFs in the portfolio generally invested in tax-exempt municipal bonds. Certain of the CEFs also employed leverage in the portfolios to potentially increase returns. This leverage had the potential to increase risk, including the likelihood of increased price volatility. Also, certain of the CEFs invested in high-yield bonds below investment-grade, sometimes referred to as “junk bonds.” Junk bonds are subject to numerous risks, including higher interest rates, economic recession, deterioration of the junk-bond market, possible downgrades, and defaults of interest and/or principal.

Each Municipal UIT terminated on a specific date determined before the offering. At termination, the trusts’ holdings in the CEFs were either liquidated or distributed by the trustee. The specified termination date for a given UIT typically did not match the maturity dates of the underlying municipal bonds held by the CEFs in the portfolio. Accordingly, upon termination of the trusts, the value of an investment in the Municipal UITs was dependent on the then-current value of the underlying CEFs and not on the return of principal that the municipal bonds held by the CEFs could return at maturity.

The Municipal UIT prospectuses disclosed several risks, including that their value generally would fall if interest rates rose, that the portfolios invested in CEFs that employed leverage, and that the CEFs could invest in securities rated below investment grade. The prospectuses also disclosed risks specific to municipal UITs, including that municipal bonds are long-term fixed-rate debt obligations and that the market for municipal bonds is generally less liquid than for other securities and are thus more volatile and subject to greater price fluctuations.

Rittberger Recommended the Municipal UITs to Customers

Between December 2012 and February 2013, Rittberger participated in the recommendation of investments in the Municipal UITs totaling approximately \$198,000 to five customers. Rittberger used a consistent pitch to ascertain customers’ interest in the Municipal UITs, telling customers that, while not guaranteed, the UITs had historically earned 5 percent annual returns and were expected to continue to perform well. After determining a customer’s interest and filling out portions of the investment paperwork for some of those customers, Rittberger typically passed the relevant information on to one of his colleagues who held a Series 7 general securities license for completion of the sale. Consistent with his usual practice, Rittberger assumed that his colleague would then follow up with each of the customers to discuss their investment goals and the UITs in more detail before completing the necessary paperwork and forwarding it to Huntington’s home office to effectuate their purchases. However, the Series 7 representatives apparently did not in fact follow up with some of the customers before completing and submitting the relevant paperwork.

Rittberger learned about the Municipal UITs solely through brief conversations with one or more of his colleagues who held Series 7 general securities licenses.

He did not perform any other reasonable diligence on the UITs before participating in recommending them to customers. For example, Rittberger did not read the prospectuses or other literature for the UITs. Nor did he attempt to learn more about the UITs from wholesalers or any other employees of the issuing product sponsor, relying instead on the information provided by the Series 7 representatives. Accordingly, he did not (i) know that the CEFs in the UITs' portfolios were leveraged or understand the associated effect of that leverage; (ii) know that the underlying CEFs could invest in junk bonds or understand the risks associated with those investments; (iii) understand the volatility that the CEFs, and thus the UITs, were subject to; (iv) know that the CEFs invested in bonds whose maturities did not match the trusts' termination dates; (v) understand the liquidity and secondary market for the UITs; and (vi) understand how an investment in the UITs would be valued at trust termination.

Each of the five relevant customers complained to Huntington after the value of their Municipal UITs declined. The firm resolved the complaints by either cancelling the customers' trades or compensating them for realized losses.

Violations of FINRA Rules 2111 and 2010

FINRA Rule 2111 requires that a registered representative have, when recommending the purchase, sale, or exchange of any security to a customer, "a reasonable basis to believe that a recommended transaction or investment strategy involving a security or securities is suitable for the customer, based on the information obtained through the reasonable diligence of the member or associated person to ascertain the customer's investment profile." Supplementary Material .05(a) provides, "[t]he reasonable-basis obligation requires a member or associated person to have a reasonable basis to believe, based on reasonable diligence, that the recommendation is suitable for at least *some* investors. In general, what constitutes reasonable diligence will vary depending on, among other things, the complexity of and risks associated with the security or investment strategy and the member's or associated person's familiarity with the security or investment strategy. A member's or associated person's reasonable diligence must provide the member or associated person with an understanding of the potential risks and rewards associated with the recommended security or strategy. The lack of such an understanding when recommending a security or strategy violates [FINRA Rule 2111]."

Rittberger did not perform reasonable diligence on the Municipal UITs before participating in recommending them to five customers. As a result, Rittberger did not have an understanding of the potential risks and rewards associated with the Municipal UITs, and he therefore lacked a reasonable basis for believing the UITs were suitable for the customers. Accordingly, Rittberger violated FINRA Rule 2111. By virtue of that violation, Rittberger also violated FINRA Rule 2010.

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

- A suspension from association with any FINRA member in any capacity for 45 calendar days; and
- A \$10,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 45 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

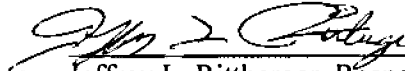
I understand that:

- 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 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 accordance with FINRA Rule 8313;
 - 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.

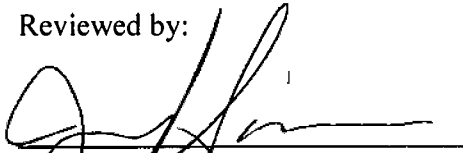
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

I certify that I have 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.

11/12/2015
Date (mm/dd/yyyy)


Jeffrey L. Rittberger, Respondent

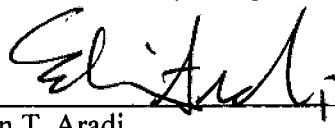
Reviewed by:


Joseph S. Simms
Counsel for Respondent
Koehler Neal LLC
1301 East Ninth Street, Suite 3330
Cleveland, OH 44114
(216) 453-2308

Accepted by FINRA:

11/20/2015
Date (mm/dd/yyyy)

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


Edwin T. Aradi
Senior Counsel
FINRA Department of Enforcement
15200 Omega Dr., 3rd Floor
Rockville, MD 20850
(301) 258-8555