

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013037123401**

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

RE: David A. Scholl, Respondent
Former Registered Representative
CRD No. 1461137

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

David Scholl ("Scholl") was registered with PlanMember Services, Inc. ("PlanMember") as a General Securities Representative (Series 7) from February 2011 through December 12, 2013. On June 14, 2013, PlanMember filed a Form U4 amendment indicating that Scholl was named in an arbitration filed by JJ, a former client, alleging that "In May 2011, the Claimant met with the representative who recommended that the Claimant take money from existing assets to purchase an interest in a short-term real estate venture intended to buy distressed properties and renovate them for resale. Claimant states that the promissory note had a 3 month term and per the terms of the note, should have paid principal and interest on October 19, 2011. Claimant alleges that no payments were received and that their original principal has not been returned."

On December 12, 2013, PlanMember filed a Form U5 disclosing the voluntary termination of Scholl's registration. Since Scholl's employment with PlanMember, he has not been associated with any FINRA member. Pursuant to

Article V, Section 4 of FINRA's By-Laws, Scholl remains subject to FINRA jurisdiction.

RELEVANT DISCIPLINARY HISTORY

Scholl has no prior disciplinary history.

OVERVIEW

Scholl failed to disclose to PlanMember his participation in a private securities transaction for compensation involving outside businesses Mackinac Realty Group and Mackinac Advisory Services, LLC (together referred to as "Mackinac"). In 2011, Scholl participated in an investment by one of his former clients, JJ, in a real estate venture offered by Mackinac. The Note eventually defaulted, failing to provide JJ the promised returns on his investment. Scholl did not give written notice to PlanMember or receive its approval prior to participating in JJ's private securities transaction. Therefore, Scholl violated NASD Rule 3040 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

In May 2011 Scholl informed JJ, his former LPL client, that Mackinac was looking for investors to help finance a real estate business venture to purchase residential properties at foreclosure sales, renovate the properties, and then sell them at a profit. Scholl assisted JJ with completing the necessary paperwork to open a self-directed IRA at another Firm, and on June 13, 2011, JJ sent a \$241,000 check from his LPL IRA to the self-directed IRA and invested those funds with Mackinac. In return JJ received a Note, dated June 21, 2011, promising payment of \$257,870 within 120 days of the investment of principal. Under the terms of the Note, the principal and interest became due on October 19, 2011. For his involvement in the JJ transaction, Scholl received a \$7,000 commission.

JJ did not receive any payments due under the Note on October 19, 2011 or thereafter. Scholl did not provide written notice to or receive permission from PlanMember before he participated in JJ's investment with Mackinac.

As a result of the foregoing conduct, Scholl violated NASD Rule 3040 and FINRA Rule 2010.

B. Respondent consents to the imposition of the following sanctions:

- A fine in the amount of \$5,000;
- A three-month suspension from associating with any FINRA member firm in any capacity; and,

- Disgorgement of commissions received, which is ordered to be paid to FINRA in the amount of \$7,000, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621, from October 19, 2011 until the date this AWC is accepted by the NAC.

The fine and disgorgement shall be due and payable either immediately upon re-association 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.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he will 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, Respondent 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).

Respondent specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against him;
- 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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives 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

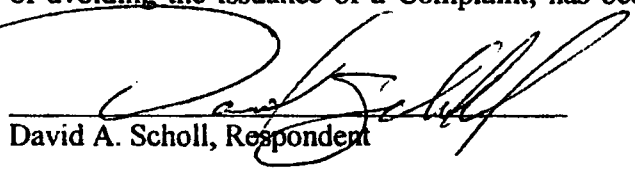
Respondent understands that:

- 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 him; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
 - 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. Respondent 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. Respondent 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 Respondent's: (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. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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.

Respondent certifies that he has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that he has 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 Respondent to submit it.

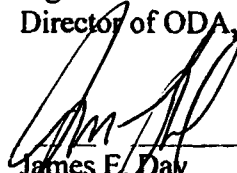
10/28/2015
Date (mm/dd/yyyy)


David A. Scholl, Respondent

Accepted by FINRA:

10/29/15
Date

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


James E. Day
Vice President and Chief Counsel
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