

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013037614301**

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

RE: John J. Lonergan, Respondent
General Securities Representative
CRD No. 2673540

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, John J. Lonergan ("Lonergan" or "Respondent"), 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

Lonegran first became registered with FINRA as an Investment Company and Variable Contracts Products Representative in 1995 through an association with a former member firm. In October 2005, Lonergan became registered as a General Securities Representative with member firm Fidelity Brokerage Services LLC ("Fidelity" or the "Firm"). On July 11, 2013, Fidelity filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") disclosing that Lonergan was permitted to resign on June 13, 2013. Lonergan is not presently associated with a member firm. However, pursuant to Article V, Section 4 of FINRA's By-Laws, FINRA retains jurisdiction over him.

RELEVANT DISCIPLINARY HISTORY

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

OVERVIEW

Loneragan forged and falsified account opening documents for the accounts of two customers. When one of those customers complained to Lonergan and Fidelity, Lonergan attempted to conceal the forgeries by providing both the customer and Fidelity with a second falsified account opening document. By reason of the foregoing, Lonergan violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

In or about October 2011, an investment advisory firm ("Customer 1") sought to open an account with Lonergan at Fidelity. At the time, Fidelity offered investment advisors two different pricing options: (1) fee-based pricing (also referred to as "asset-based" pricing) or (2) transaction-based pricing. Fidelity required customers to select one or the other option at account opening by filling out and signing an "Asset Commitment Letter."

On or about October 6, 2011, Lonergan signed the name of Customer 1's Chief Executive Officer ("CEO") to an Asset Commitment Letter. Lonergan did not have authorization to sign the CEO's name to the Asset Commitment Letter.

In or about August 2012, a second customer, also an investment advisory firm ("Customer 2"), sought to open an account with Lonergan at Fidelity. On or about August 6, 2012, Lonergan signed the name of Customer 2's owner to an Asset Commitment Letter which established the account as a fee-based account. Lonergan did not have authorization to sign the name of Customer #2's owner to the Asset Commitment Letter. Also, Customer 2 did not agree to open this account as a fee-based account.

In May 2013, Customer 2 complained to Lonergan's supervisor that the account had improperly been set up as a fee-based account. During a subsequent conversation between Lonergan, Lonergan's supervisor, and Customer 2's owner, Lonergan indicated that the customer had, in fact, signed a fee-based account agreement. Customer 2's owner asked Lonergan for a copy of that agreement.

On or about May 20, 2013, Lonergan created a false Asset Commitment Letter by cutting and pasting the signature of Customer 2's owner onto another Asset Commitment Letter which included a fee-based account schedule. Lonergan then sent the falsified Asset Commitment Letter to Customer 2's owner and to his supervisor in an attempt to mislead both and to cover up his earlier misconduct.

By reason of the foregoing, Lonergan violated FINRA Rule 2010.

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

- An 18-month suspension from association with any FINRA member in any and all capacities and a \$10,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 18-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 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

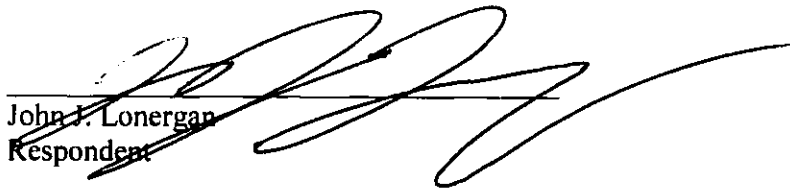
I understand that:

- 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;
 - 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; and
- 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

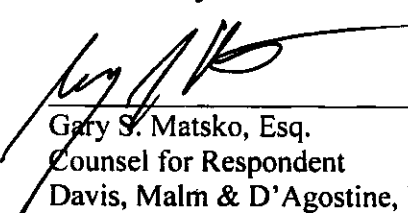
findings by FINRA, nor does it reflect the views of FINRA or its staff.

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.

6/22/2015
Date (mm/dd/yyyy)


John J. Lonergan
Respondent

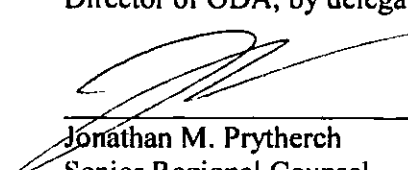
Reviewed by:


Gary S. Matsko, Esq.
Counsel for Respondent
Davis, Malm & D'Agostine, P.C.
One Boston Place
Boston, Massachusetts 02108
(617) 589-3877

Accepted by FINRA:

6/30/2015
Date

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


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