

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013037893701**

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

RE: Steven Allan Snapp ("Snapp"), Respondent
CRD No. 1184755

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

Snapp entered the securities industry in November 1983 and was associated with three FINRA regulated broker-dealers from that date until October 2005. In October 2005, Snapp registered with SagePoint Financial, Inc. ("SagePoint"), a FINRA regulated broker-dealer, and remained there until May 17, 2011. On May 17, 2011, Snapp registered with Investment Centers of America, Inc. ("ICA"), another FINRA regulated broker-dealer. Snapp became Series 7 and 24 licensed in April 1984, and September 1990, respectively. On June 10, 2013, ICA filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") disclosing that Snapp had voluntarily resigned as of that date.

On August 6, 2013, ICA filed an amended Form U5 disclosing that the Firm had "opened an investigation to research what appeared to be a loan arrangement between [Snapp] and a client that began in May 2009, when [Snapp] was registered with his prior firm." Although Snapp has not reassociated with another FINRA regulated broker-dealer, pursuant to Article V, Section 4(a) of FINRA's By-Laws, FINRA retains jurisdiction over Snapp until August 5, 2015.

RELEVANT DISCIPLINARY HISTORY

Snapp has no disciplinary history in the securities industry.

FACTS AND VIOLATIVE CONDUCT

1. Borrowing from a Customer in Violation of NASD Rule 2370 and FINRA Rule 2010.

NASD Rule 2370 prohibits an associated person from borrowing money from or lending money to a customer, except in certain narrowly defined circumstances. First, the person's employing member firm must have written procedures allowing loans between associated persons and customers. The written procedures can only allow loans that meet one of the following five categories: (1) the customer is a member of the associated person's immediate family; (2) the customer is engaged in the business of lending money; (3) the customer is an associated person of the same firm; (4) the lending arrangement is based on a personal relationship outside the broker/customer relationship, and the loan would not have been made but for that relationship; or (5) the loan is based on a business relationship outside the broker/customer relationship. Second, the firm must pre-approve the specific lending arrangement in writing.

On May 14, 2009, Snapp borrowed \$20,000 from his SagePoint customers RT and LT, and signed a note memorializing the loan, the interest rate, and the payment schedule. Snapp did not inform or obtain prior written approval for the loan from his employing FINRA regulated broker-dealer, SagePoint. Furthermore, SagePoint's written supervisory procedures ("WSPs") prohibited loans with customers unless they were immediate family members or a commercial lending institution. RT and LT were neither. By virtue of this conduct, Snapp violated NASD Rule 2370 and FINRA Rule 2010.

2. Making Misrepresentations to His Employing FINRA Regulated Broker-Dealer in Violation of FINRA Rule 2010.

FINRA Rule 2010 requires associated persons to "observe high standards of commercial honor and just and equitable principals of trade." Providing misleading or false answers to a FINRA regulated broker-dealer on compliance questionnaires is a violation of FINRA Rule 2010.

In May 2011, Snapp left SagePoint and registered with ICA. Like, SagePoint, ICA's WSPs prohibited loans between customers and registered representatives except where customers were family members, a financial institution, or where the customer was also a registered representative with ICA. Snapp affirmatively denied having any loans with customers in the ICA New Registered Representative Compliance Questionnaire that he signed on April 11, 2011. He

also denied having loans with customers in the ICA annual compliance questionnaire that he signed on October 31, 2012, and on several other questionnaires that he completed during his registration with ICA. By falsely stating that he did not have any loans with customers, Snapp violated FINRA Rule 2010.

3. Willfully Failing to Report Liens Timely on Forms U4 in Violation of Article V, Section 2(c) of FINRA's By-Laws, NASD Rule IM-1000-1, and FINRA Rules 1122 and 2010.

Article V, Section 2(c) of FINRA's By-Laws provides that every application for registration filed with FINRA shall be kept current at all times by supplementary amendments which must be filed within thirty days after learning of the facts or circumstances giving rise to the amendment. NASD Rule IM-1000-1, effective until August 17, 2009, and FINRA Rule 1122, effective on August 17, 2009, provide that no member or person associated with a member shall file incomplete or inaccurate information so as to be misleading.

Snapp willfully failed to timely report four unsatisfied liens on his Uniform Application for Securities Industry Registration ("Form U4"). First, on or around April 29, 2009, the Internal Revenue Service ("IRS") filed a lien on Snapp for income taxes owed. Snapp received a Notice of Lien on or around this date, but did not amend his Form U4 to disclose the lien until January 28, 2010, more than thirty days after first learning of the lien. Second, on or around April 9, 2009, the Minnesota Department of Revenue filed a lien on Snapp for taxes owed. Snapp received notice of this lien on or around September 19, 2009, but did not amend his Form U4 until January 28, 2010, more than thirty days after learning of this lien. Third, on or around December 16, 2010, the IRS filed another lien on Snapp for income taxes owed. Snapp received a Notice of Lien on or around this date, but did not amend his Form U4 to disclose the lien while he was associated with SagePoint and did not amend his Form U4 to disclose the lien while associated with ICA until April 25, 2012, more than thirty days after learning of this lien. Fourth, on or around July 19, 2012, the IRS filed a lien on Snapp for income taxes owed. Snapp received a Notice of Lien on or around this date, but did not amend his Form U4 to disclose this lien until October 30, 2012, more than thirty days after learning of this lien. By virtue of this conduct, Snapp violated Article V, Section 2(c) of FINRA's By-Laws, NASD Rule IM-1000-1 (for conduct between April 2009 and August 16, 2009), FINRA Rule 1122 (for conduct between August 17, 2009 and October 30, 2012), and FINRA Rule 2010.

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

A twelve-month suspension from associating with any FINRA member in any capacity.¹

¹ On December 26, 2013, Respondent was granted a discharge in bankruptcy under Section 727 of Title 11, United States Code. Accordingly, no monetary sanction is being assessed 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).

I understand that this settlement includes a finding that I willfully omitted to state a material fact on a Form U4, and that under Section 3(a)(39)(F) of the Securities Exchange Act of 1934 and Article III, Section 4 of FINRA's By-Laws, this omission makes me subject to a statutory disqualification with respect to association with a member.

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

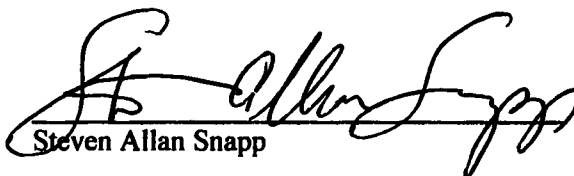
I understand that:

- 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 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.

05/23/2014
Date (mm/dd/yyyy)


Steven Allan Snapp

Accepted by FINRA:

6/9/14
Date

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


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