

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013037983501**

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

RE: Jerry Adam Jacobs, Respondent
General Securities Representative
Investment Banking Representative
CRD No. 1006238

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Jerry Adam Jacobs ("Jacobs") submits 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. Jacobs hereby accepts and consents, 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

Jacobs entered the securities industry in 1981, when he was associated with a FINRA member, and he holds Series 7 and 63 licenses. Jacobs was associated with several FINRA members since 1981, and he has been associated with Investacorp, Inc. ("Investacorp") since July 1988. Jacobs is subject to FINRA's jurisdiction because he is registered through a FINRA member.

RELEVANT DISCIPLINARY HISTORY

Jacobs does not have any relevant disciplinary history.

OVERVIEW

While Jacobs was associated with Investacorp and registered with FINRA, Jacobs failed to timely amend his Uniform Application for Securities Industry Registration and Transfer ("Form U4") to disclose three criminal charges. By

engaging in such misconduct. Jacobs acted in contravention of Article V, Section 2 of FINRA's By-Laws and violated FINRA Rules 1122 and 2010.

FACTS AND VIOLATIVE CONDUCT

Article V, Section 2(c) of FINRA's By-Laws requires associated persons to keep their Form U4 applications "current at all times," and that amendments to Form U4s "be filed with [FINRA] no later than 30 days after learning of the facts or circumstances giving rise to the amendment." FINRA Rule 1122 requires applicants to fully and accurately disclose all information required on Form U4. Moreover, a representative has an affirmative obligation to fully disclose all material facts in response to the questions on Form U4, and a false response on a Form U4 or failing to amend a Form U4, when there has been a material change in a disclosure, is a violation of FINRA Rules 1122 and 2010, and Article V, Section 2(c) of the FINRA By-Laws.

The Form U4 requires registered persons to disclose the following instances:

Question 14A.(1)(b) – having "been *charged* with any *felony*."

Question 14B.(1)(b) - having "been *charged* with a *misdemeanor* specified in 14B(1)(a)."¹

On or about September 11, 2009, Jacobs was criminally charged with: (1) felony aggravated assault with a firearm; and (2) misdemeanor petit theft. On September 18, 2013, Jacobs filed an amendment to his Form U4 in which he disclosed: (1) on September 8, 2011, the felony aggravated assault with a firearm charge was *nolle prossed* and reduced to a misdemeanor charge of improper exhibition of a firearm, to which the court withheld adjudication; (2) on September 8, 2011, the misdemeanor petit theft charge was *nolle prossed*; and (3) he was placed on probation from September 8, 2011 through September 20, 2012.

On or about April 15, 2013, Jacobs was criminally charged with felony false insurance claim. On or about September 12, 2013, Jacobs was placed into a six-month pre-trial diversion program, which he completed. On September 13, 2013, Jacobs filed an amendment to his Form U4 in which he disclosed: (1) the felony false insurance claim charge; (2) a plea of not guilty; and (3) his participation in the pre-trial diversion program. On or about April 2, 2014, the felony false insurance claim charge was *nolle prossed*.

While associated with Investacorp, Jacobs failed to timely amend his Form U4 to disclose the 2009 charges of felony aggravated assault with a firearm and misdemeanor petit theft, and the 2013 charge of felony false insurance claim.

¹ Question 14B.(1)(a) includes the crime of "wrongful taking of property."

As a result of the foregoing conduct, Jacobs violated Article V, Section 2 of FINRA's By-Laws, and FINRA Rules 1122 and 2010.

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

A \$5,000 fine and a two-month suspension from association with any FINRA member in all capacities.

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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 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.

9/11/14
Date (mm/dd/yyyy)

[Signature]
Jerry Adam Jacobs, Respondent

Reviewed by:

[Signature]
Mark J. Astarita, Esq.
Counsel for Respondent
Sallah Astarita & Cox, LLC
100 Park Avenue, Suite 1600
New York, New York 10017
(212) 509-6544

Accepted by FINRA:

09/12/2014
Date

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

[Signature]
Kevin D. Rosen, Principal Regional Counsel
FINRA Department of Enforcement
5200 Town Center Circle
Tower I, Suite 200
Boca Raton, Florida 33486
Phone: (561) 443-8015; Fax (561) 443-7998
E-mail: kevin.rosen@finra.org