

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013038263201**

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

RE: James Rosebrough, Respondent
General Securities Representative
CRD No. 4355308

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent 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

Rosebrough entered the securities industry when he became employed with Firm 1, a FINRA regulated broker-dealer, in 2001. He remained employed with Firm 1 until 2003, and then became sequentially associated with three other FINRA regulated broker-dealers from 2003-2009: Linsco/Private Ledger Corp. (subsequently known as LPL Financial Corp. and LPL Financial LLC) (the "Firm"), Firm 2 and Firm 3. Rosebrough rejoined the Firm in 2009 and remained employed there until 2013. On September 12, 2013, the Firm filed a Form U5 indicating that Rosebrough had been terminated for "violation of firm policy regarding outside business activities." Rosebrough became associated with Firm 4, a FINRA regulated broker-dealer, in September 2013 and remained employed there until January 29, 2015. Rosebrough became Series 7 and 63 registered in 2001 and obtained his Series 65 and Series 24 licenses in 2009 and 2012, respectively.

Rosebrough is not currently associated with a FINRA regulated broker-dealer, but FINRA retains jurisdiction over him pursuant to Article V, Section 4 of FINRA's

By-Laws.

RELEVANT DISCIPLINARY HISTORY

Rosebrough has no disciplinary history in the securities industry.

OVERVIEW

Rosebrough engaged in outside business activities without providing notice to his employer member firm, in violation of FINRA Rules 3270 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3270 provides in relevant part:

No registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated, or have the reasonable expectation of compensation, from any other person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to the member, in such form as specified by the member.

FINRA Rule 2010 requires associated persons to "observe high standards of commercial honor and just and equitable principles of trade." A violation of FINRA Rule 3270 is considered inconsistent with high standards of commercial honor and just and equitable principles of trade.

Rosebrough participated in two outside business activities between 2011 and 2013 without providing prior written notice to his member firm. In July 2011, Rosebrough formed a limited liability company with a colleague to purchase the office condominium from which they operated their brokerage and insurance related businesses. Rosebrough was a partner of this business, and his duties included collecting and depositing rent and paying bills. Since its inception, Rosebrough has received approximately \$3,500 in income from this business.

In February 2013, Rosebrough formed another limited liability company with a customer of the Firm to acquire and rent a single family residence. Rosebrough was a partner of this business, was listed as manager on the Articles of Organization, and his duties included collecting rent, paying bills and coordinating maintenance of the property.

Rosebrough did not provide prior written notice to the Firm prior to engaging in either of these outside business activities, and he did not notify the Firm that he was engaging in these outside business activities until July 2013. Additionally, in 2012, Rosebrough completed a Firm questionnaire in which he answered "no" to

the question whether he had engaged in any outside business activity, which was not true.

By engaging in outside business activities without providing prior written notice to the Firm, Rosebrough violated FINRA Rules 3270 and 2010.

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

A 30 day suspension from associating with any FINRA member in any capacity and a \$5,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm following the 30 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

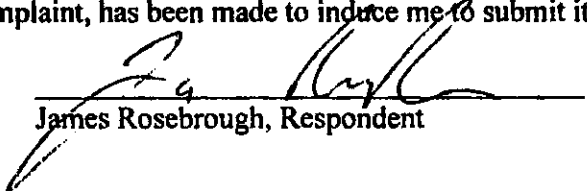
C. If accepted:

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.

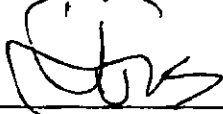
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute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

I certify that I have 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.

02-10-2015
Date (mm/dd/yyyy)


James Rosebrough, Respondent

Reviewed by:



Jon A. Titus, Esq.
TITUS BRUECKNER & LEVINE PLC
8355 East Hartford Drive, Suite 200
Scottsdale, Arizona 85255
Phone: 480.483.9600 | Fax: 480.483.3215
Email: jtitus@tbl-law.com

Counsel for Respondent

Accepted by FINRA:

2/23/15
Date

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



Richard Chin
Chief Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street
New York, NY 10281
646.315.7322