

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013038815501**

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

RE: Glen Scot Jones, Respondent
General Securities Representative
CRD No. 5069295

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Glen Scot Jones ("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 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

Respondent entered the securities industry in July 2002 and became registered with FINRA as a General Securities Representative (Series 7) in April 2006.¹ From July 2002 to November 2012, Respondent was associated with two FINRA-regulated firms.

In November 2012, Respondent became employed as a Senior Registered Client Service Associate at FINRA-regulated firm UBS Financial Services, Inc. (the "Firm") and remained in that position until his termination from the Firm in October 2013.

In a Form U5 Uniform Termination Notice for Securities Industry Registration dated October 29, 2013, the Firm reported that Respondent was terminated for "inaccurately attest[ing] in the Firm's records that a client's transfer of funds to a third party had been verbally confirmed with the client, as required by Firm policy, when in fact it had not been."

¹ Respondent also acquired his Series 63 (State Law Uniform Securities Agent) and Series 66 (Uniform Combined State Law Examination) securities licenses in May 2006 and May 2008, respectively.

Since his termination from the Firm, Respondent has not been registered with a FINRA-regulated firm, but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of the FINRA By-Laws.

RELEVANT DISCIPLINARY HISTORY

Respondent has no prior disciplinary history.

OVERVIEW

In August 2013, Respondent improperly caused three fraudulent wire disbursements totaling \$243,350 to be transferred from the account of Firm customer DES to third-party bank accounts. Respondent processed the wire disbursements based on e-mailed instructions that he received from an imposter who hacked into the customer's e-mail account.

As part of processing the wire disbursements, Respondent attested in the Firm's internal systems and verbally represented to Firm personnel that he had verbally confirmed the wire disbursements with DES when he had not done so. The Firm's written policies and procedures required verbal confirmation with customers for all disbursement requests.

By falsely attesting in the Firm's internal system and making false verbal misrepresentations that he had spoken with DES to verify the three wire disbursements, Respondent violated FINRA Rule 2010. Respondent also violated FINRA Rules 4511 and 2010 by causing the Firm to maintain inaccurate books and records in connection with the wire disbursements.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 2010 requires all associated persons to observe high standards of commercial honor and just and equitable principles of trade.

FINRA Rule 4511 requires member firms to make and preserve books and records in conformity with FINRA rules, the Securities Exchange Act ("SEA") and applicable SEA rules. SEA Rule 17a-4(b)(4) require firms to preserve records relating to communications concerning the firm's business. Therefore, an associated person who falsifies firm records violates FINRA Rules 4511 and 2010.

The Firm's written policies and procedures required employees to have a conversation with customers prior to processing a wire disbursement to a third-party bank account. The client contact was required to be memorialized in the Firm's internal systems through an attestation form. At all relevant times, Respondent was aware of the Firm's customer verification requirement.

Sometime in August 2013, DES' personal AOL e-mail address was hacked into by an individual. Thereafter, on three separate occasions in August 2013, an imposter posing as DES sent Respondent an e-mail using DES' AOL e-mail address. In each of the e-mails, the imposter requested that Respondent process a wire disbursement from DES' Firm account to a third-party bank account. Specifically, the imposter sent Respondent e-mails on August 6, August 20 and August 27, 2013 requesting wire disbursements for \$85,000, \$68,900 and \$89,450, respectively, to third-party bank accounts.

On each of the three occasions, Respondent completed a wire disbursement request through the Firm's internal system and submitted the request to Firm personnel for approval. In the attestation form for each of the disbursement requests, Respondent falsely indicated that he "spoke to the client" to confirm the wire disbursement requests. In addition, Respondent falsely answered "Yes" to the question, "Did the person who spoke to the client know them personally/recognized their voice?"

After Respondent submitted the wire disbursement requests through the Firm's system, branch personnel at the Firm contacted Respondent to confirm that he had spoken with customer DES about the wire disbursements. Despite not having spoken with DES, Respondent falsely represented that he had.

Respondent's false attestations and verbal misrepresentations to the Firm resulted in three unauthorized wire disbursements totaling \$243,350 to be effected from DES' Firm account to third-party bank accounts.

By making written and verbal misrepresentations to the Firm in connection with three wire disbursement requests, Respondent violated FINRA Rule 2010. By submitting three falsified wire disbursement requests through the Firm's internal systems, thereby causing the Firm to maintain inaccurate books and records, Respondent violated FINRA Rules 4511 and 2010.

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

1. A suspension in all capacities for 60 days; and
2. A deferred fine of \$7,500

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

The fine shall be due and payable either immediately upon re-association with a member firm following the 60-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.

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 Respondent; 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 response to public inquiries about his 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. 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 has been given a full opportunity to ask questions about it; that Respondent 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 him to submit it.

07-17-2014
Date (mm/dd/yyyy)

Glen Scot Jones
Glen Scot Jones, Respondent

Accepted by FINRA:

August 12, 2014
Date

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

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