

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20130393662 01**

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

RE: James D. Zifer, Respondent
CRD No. 2884061

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, James D. Zifer, 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

Respondent first became registered with FINRA as an Investment Company and Variable Contracts Representative on June 25, 1997, through a FINRA registered firm. Respondent was registered as an Investment Company and Variable Contracts Representative of Harbour Investments, Inc. between August 22, 2000 and December 6, 2013, when his registration with Harbour was terminated. Respondent is currently registered as an Investment Company and Variable Contracts Representative with another FINRA registered firm.

RELEVANT DISCIPLINARY HISTORY

Respondent has not relevant prior disciplinary history.

OVERVIEW

Respondent willfully failed to disclose multiple federal and state tax liens on his Uniform Application for Securities Industry Registration or Transfer ("Form U4"). By willfully failing to disclose these tax liens, Respondent violated Article V, Section 2 of the FINRA By-Laws and FINRA Rules 1122 and 2010.

FACTS AND VIOLATIVE CONDUCT

Article V, Section 2 of the FINRA By-Laws requires that a person applying for registration with FINRA disclose certain information, including whether he has an unsatisfied lien or judgment. At all times, the applicant is required to keep his application current by filing amendments within 30 days of learning of facts that are required to be disclosed. FINRA Rule 1122 requires registered representatives to fully and accurately disclose information required on the Form U4, and forbids individuals from filing incomplete or inaccurate registration information. FINRA Rule 2010 provides that "[a] member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade."

Accordingly, the failure to disclose all information required on a Form U4, including unsatisfied liens and judgments, violates Article V, Section 2 of the FINRA By-Laws and FINRA Rules 1122 and 2010.

In October and December 2009, the State of Ohio entered three tax liens against Respondent, which totaled \$131,000. Respondent was aware of these liens and in December 2009 retained tax professionals to resolve them. Between September 2010 and December 2011, seven additional federal and state tax liens were entered against Respondent for multiple tax years. Respondent was also aware of these 2010 and 2011 liens, documents for which were also sent to Respondent's tax professionals. Although Respondent was making payments in order to satisfy all of the above liens, Respondent did not disclose these liens to his Firm or amend his Form U4 to reflect them.

By willfully failing to disclose the multiple unsatisfied federal and state tax liens against him, Respondent violated Article V, Section 2 of the FINRA By-Laws and FINRA Rules 1122 and 2010.

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

- A two-month suspension in all capacities from association with any FINRA member; and
- A \$10,000 fine.

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

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/misrepresentation] 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.

12/4/14
Date (mm/dd/yyyy)


Respondent James D. Zifer

Reviewed by:


Rose M. Schindler Esq.
Counsel for Respondent
Law Firm of Rose M. Schindler
3839 N.W. Boca Raton Blvd.
Suite 200
Boca Raton, Florida 33431
(561) 922-5150

Accepted by FINRA:

12/29/14
Date

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


Christopher M. Burky
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FINRA Department of Enforcement
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