

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013039642701**

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

RE: Benjamin Spanier-Yearsich, Respondent
General Securities Representative
CRD No. 5171781

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Benjamin Spanier-Yearsich, 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

Benjamin Spanier-Yearsich ("Spanier-Yearsich") entered the securities industry on July 6, 2011 when he became associated with Jefferies LLC ("Jefferies" or the "Firm") in a non-registered capacity. On July 25, 2011, Spanier-Yearsich was approved as a general securities representative with the Firm.

On December 19, 2013, the Firm filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") reporting that Spanier-Yearsich was permitted to resign on November 20, 2013 after violating Firm policy regarding sharing proprietary information. Spanier-Yearsich is not currently associated with a FINRA-regulated entity.

Pursuant to Article V, Section 4 of FINRA's By-Laws, FINRA retains jurisdiction over Spanier-Yearsich until at least December 18, 2015.

RELEVANT DISCIPLINARY HISTORY

Spanier-Yearsich has no formal disciplinary history.

OVERVIEW

Spanier-Yearsich caused to be executed an order to sell put options on a security for an institutional customer account by transmitting material, non-public market information concerning an imminent block transaction in that security by another institutional firm customer, in violation of FINRA Rules 5270 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 5270 provides that “no member or person associated with a member shall cause to be executed an order to buy or sell a security or a related financial instrument when the member or person associated with the member causing the order to be executed has material non-public market information.”¹ The rule applies to orders caused to be executed for “accounts of customers of the member when the customer or affiliate has been provided such material, non-public market information by the member or any person associated with the member.” The Supplementary Material for the rule gives examples of block transactions to include, “in the context of equity securities, a transaction involving 10,000 shares or more of a security, an underlying security, or a related financial instrument overlying such number of shares.”

FINRA Rule 2010 requires that “[a] member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trades.”

As a member of the Firm’s Equity Derivatives Sales and Trading Group at Jefferies, Spanier-Yearsich was primarily responsible for distributing Jefferies market research to Firm customers and assisting Firm customers with trade execution. On November 19, 2013, Spanier-Yearsich became aware that an institutional Firm customer (“Customer A”) intended to execute a 17,100 share block order in a particular security (“Company X”) later that day. After learning of the imminent block order, Spanier-Yearsich called two other Firm institutional customers and revealed to them the details of Customer A’s order. Spanier-Yearsich then recommended that the two Firm customers sell put options on Company X, which one of the customers did.

By improperly transmitting material non-public market information concerning an imminent block transaction to other Firm customers, and causing a firm customer to sell put options on the underlying security based on that information, Spanier-

¹ Effective September 3, 2013, FINRA Rule 5270 replaced NASD IM-2110-3.

Yearsich violated FINRA Rules 5270 and 2010.

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

- A bar from associating with any FINRA member in all capacities.

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. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

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 General Counsel, 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.

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

BSY
Benjamin Spanier-Yearsich, Respondent

Accepted by FINRA:

3.23.15
Date

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

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