

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014039358004**

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

RE: Brian Sandy Rauch ("Rauch")
Former General Securities Representative ("GSR")
CRD No. 4201381

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Respondent Brian Sandy Rauch, 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

Rauch entered the securities industry in May 2000 as a trainee through an association with a FINRA member broker-dealer. While associated with the FINRA member, Rauch obtained a Series 7 GSR registration in June 2000 and a Series 63 state securities registration in August 2000. Rauch remained registered with this FINRA firm until October 2001. From December 2001 through April 2011, Rauch was consecutively registered with seven additional FINRA member firms. From April 2011 to November 2011, he was not employed in the securities industry. From November 2011 until August 2013, Rauch was registered as a GSR with FINRA member firm Rockwell Global Capital LLC ("Rockwell"). On August 26, 2013, Rockwell filed with FINRA a Uniform Termination Notice for Securities Industry Registration ("Form U5"), reporting that on that day, Rauch voluntarily resigned from Rockwell.

On August 27, 2013, Rauch became registered as a GSR with Avenir Financial Group, Inc. ("Avenir"). On February 16, 2016, Avenir filed with FINRA a Form U5, reporting that on February 15, 2016, Rauch voluntarily resigned from Avenir.

Rauch is not currently associated with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Rauch does not have any disciplinary history with the Securities and Exchange Commission, FINRA, any other self-regulatory organization or any state securities regulator.

OVERVIEW

For a period of nearly three years, during his association with Rockwell and subsequently during his association with Avenir, Rauch failed to timely amend his Uniform Application for Securities Industry Registration or Transfer ("Form U4") to disclose a federal tax lien in the amount of \$86,439, in violation of Article V, Section 2(c) of the FINRA By-Laws and FINRA Rules 1122 and 2010.

FACTS AND VIOLATIVE CONDUCT

Article V, Section 2(c) of the FINRA By-Laws requires an associated person to keep the Form U4 "current at all times," and file any amendments to the Form U4 "not later than 30 days after learning of the facts or circumstances giving rise to the amendment."

FINRA Rule 1122 states that "[n]o ... person associated with a member shall file with FINRA information with respect to ... registration which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof."

A violation of Article V, Section 2(c) of the FINRA By-Laws and FINRA Rule 1122 constitutes a violation of FINRA Rule 2010, which requires an associated person to observe high standards of commercial honor and just and equitable principles of trade.

Question 14M on the Form U4 asks "[d]o you have any unsatisfied judgments or liens against you?" At all times, Rauch was required to keep his Form U4 current by filing amendments within 30 days of learning of facts that are required to be disclosed.

In September 2011, the Internal Revenue Service ("IRS") issued a tax lien for \$86,439 against Rauch. Rauch was on notice of the tax lien in late September or early October 2011. Rauch should have updated his Form U4 to disclose the IRS tax lien within 30 days of receiving notice that the 2011 IRS tax lien had been filed against him. During the violative period, Rauch was consecutively registered with Rockwell and then with Avenir.

Between November 2011 and November 2012, Rauch answered "no" to Question 14M on his Form U4, despite being on notice of the IRS tax lien.

Beginning in November 2012, Rauch answered "yes" to Question 14M on his Form U4. However, Rauch's November 2012 response disclosed other unrelated judgments and liens but not the \$86,439 IRS tax lien.

On August 25, 2014, Rauch first disclosed the IRS tax lien to Avenir. That same day, Avenir updated Rauch's Form U4 to reflect the IRS tax lien. Rauch failed to update his Form U4 between November 2011 and August 2014. Therefore, he untimely disclosed the IRS tax lien approximately 2 years and 10 months late.

By reason of the foregoing, Rauch violated Article V, Section 2(c) of FINRA's By-Laws, and FINRA Rules 1122 and 2010.

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

- A two-month suspension from associating with any FINRA member firm in all capacities; and
- A \$5,000 fine

The fine shall be due and payable either immediately upon reassociation 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 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 prejudice 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:

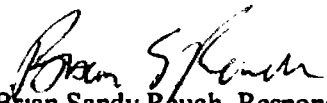
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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.

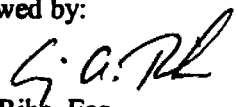
D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute 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.

05 15 2017
Date (mm/dd/yyyy)


Brian Sandy Rauch, Respondent

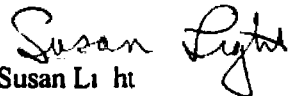
Reviewed by:


Crai Riha Esq.
Counsel for Respondent
Finkelstein & Feil P.C.
3920 Veterans Memorial Highway, Suite 8
Bohemia, New York 11716
516-280-3660

Accepted by FINRA:

June 1, 2017
Date

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



Susan Light
Senior Vice President and Chief Counsel
FINRA Department of Enforcement
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