

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014039393901**

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

RE: Jonathan Thomas McDermott, Respondent
Former General Securities Representative/Limited Representative-Investment Banking
CRD No. 1642514

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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

McDermott entered the securities industry in February 1987 when he became associated with a FINRA member firm. McDermott was approved as a General Securities Representative in December 1987. Prior to joining Halcyon Cabot Partners, Ltd. ("Halcyon" or the "Firm") in October 2010, McDermott was associated with approximately 24 FINRA member firms. McDermott passed his Series 79 (Investment Banking) exam in December 2011. At Halcyon, McDermott was registered as a Limited Representative - Investment Banking in December 2011.

On July 22, 2014, the Firm filed a Uniform Termination Notice for Securities Industry Registration notifying FINRA that McDermott voluntarily resigned. Although McDermott is not currently registered or associated with any FINRA member firm, pursuant to Article V, Section 4 of the FINRA By-laws, FINRA retains jurisdiction over him.

RELEVANT DISCIPLINARY HISTORY

McDermott has no relevant disciplinary history.

OVERVIEW

McDermott failed to provide documents and information to FINRA pursuant to a FINRA Rule 8210 request seeking documents and information related to McDermott's use of personal emails, instant messaging ("IM") and text messages for his investment banking business.

As a result of this conduct, McDermott violated FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 8210(a)(1) states, in relevant part, that FINRA may "require a member, person associated with a member, or any other person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically ... with respect to any matter involved in the investigation." FINRA Rule 8210(c) states that "[n]o member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule." Moreover, FINRA Rule 2010 states that "[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade." A violation of FINRA Rule 8210 constitutes a violation of FINRA Rule 2010.

On May 1, 2015, in conjunction with a FINRA investigation into McDermott's use of personal emails, IMs and text messages for his Firm investment banking business without obtaining Firm approval, FINRA sent McDermott a request for documents and information pursuant to FINRA Rule 8210, returnable on May 14, 2015. McDermott failed to provide the requested documents and information by the return date. On May 14, 2015, FINRA sent a second request for documents and information pursuant to FINRA Rule 8210 to McDermott, returnable on May 28, 2015. McDermott again failed to provide the requested documents and information by the return date. On June 22, 2015, McDermott, through counsel, informed FINRA that McDermott would not cooperate with FINRA's investigation or produce the requested documents or information.

As a result, McDermott violated FINRA Rules 8210 and 2010.

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

- A bar from association with any FINRA member in any capacity.

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. 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 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.

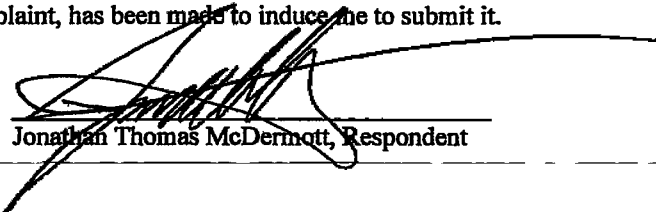
III.
OTHER MATTERS

I understand that:

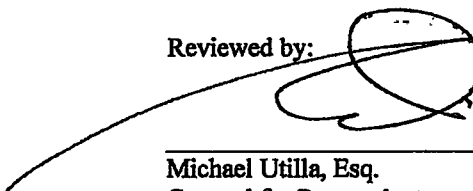
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will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

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.

7/29/2015
Date (mm/dd/yyyy)


Jonathan Thomas McDermott, Respondent

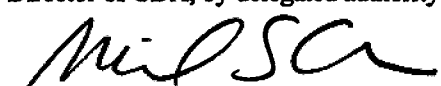
Reviewed by:


Michael Uilla, Esq.
Counsel for Respondent
26 Court Street, Suite 2601
Brooklyn, New York 11242
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Facsimile (718) 629-1359

Accepted by FINRA:

8/21/15
Date

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


Michael Choi
Director
FINRA Department of Enforcement
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