

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014039937101**

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

**RE: Jason Gerald Medvec, Respondent
General Securities Representative
CRD No. 4940767**

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

Medvec entered the securities industry in May 2005 when he became employed with a FINRA-regulated broker-dealer. He became registered with that firm in July 2005 as an Investment Company Products/Variable Contracts Representative ("IR"), and he remained employed there until April 2006.

From April 2006 through September 2009, Medvec was consecutively registered with three FINRA-regulated broker-dealers as an IR. Beginning in February 2010, he was registered as a General Securities Representative ("GS") and IR with three other FINRA-regulated broker-dealers, including: Merrill Lynch, Pierce, Fenner & Smith ("Merrill Lynch") (April 2011 through January 2014) and his most recent member firm employer ("Firm A") (registration began and terminated in January 2014).

Medvec received the following FINRA licenses: Series 6 (July 2005), 63 (August 2005), 7 (February 2010), 66 (March 2010), and 31 (November 2010).

On January 7, 2014, Merrill Lynch filed a Form U5 (Uniform Termination Notice for Securities Industry Registration) for Medvec stating that his employment with that firm voluntarily terminated on January 4, 2014.

On January 27, 2014, Firm A filed a Form U5 for Medvec stating that he was discharged from that firm on January 8, 2014 after it received notification from Merrill Lynch that Medvec "transferred client information to his personal e-mail address."

RELEVANT DISCIPLINARY HISTORY

Medvec has no disciplinary history in the securities industry

OVERVIEW

On January 2 and 3, 2014, immediately prior to leaving Merrill Lynch to join another broker-dealer and in order to use such information at that new firm, Medvec e-mailed several spreadsheets containing names, account numbers, telephone numbers, and account balance information of Merrill Lynch customers from his Merrill Lynch e-mail address to his personal e-mail address without Merrill Lynch's knowledge or consent. In doing so, Medvec caused Merrill Lynch to violate Regulation S-P, in violation of FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

SEC Regulation S-P of the Securities Exchange Act of 1934 generally prohibits disclosure of "nonpublic personal information" about a customer unless the customer receives proper notice and an opportunity to opt out.

Information is considered to be "non-public personal information" if it contains personally identifiable financial information about one or more consumers, including: (1) information a consumer provides to a broker-dealer to obtain a financial product or service, (2) information about a consumer resulting from any transaction involving a financial product or service between a broker-dealer and a consumer, or (3) information a broker-dealer otherwise obtains about a consumer in connection with providing a financial product or service to that consumer.

"Non-public personal information" includes names, addresses, telephone and social security numbers, birth dates, and account balances that are provided to a financial institution by its customer.

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

Merrill Lynch's policies required that its employees adequately protect confidential customer information imparted to them or contained in the firm's

files, and prohibited them from disclosing such information to unauthorized persons within the firm or persons not employed by the Firm.

Firm A's policies prohibited its registered representatives from bringing customer-related information (e.g., customer files and lists) from their prior firm, including any such information that was electronically stored.

On January 2, 2014, Medvec sent an e-mail from his Merrill Lynch e-mail address to his personal e-mail address that included an attachment containing Merrill Lynch customer information, including 50 names, 50 account numbers and 35 telephone numbers, and certain account balances.

On January 3, 2014, the day that he resigned from Merrill Lynch and joined Firm A, Medvec sent another e-mail from his Merrill Lynch e-mail address to his personal e-mail address. Attached to this e-mail was a spreadsheet titled "vacation," which contained the names of eight Firm customers and nine of their account numbers.

The information that Medvec took from Merrill Lynch included "non-public" personal information as that term is defined under Regulation S-P since it: (1) was provided by Merrill Lynch's customers to obtain financial products; (2) resulted from transactions involving financial products or services between that firm and its customers; and/or (3) was obtained in connection with providing financial products or services to that firm's customers. Medvec did not have Merrill Lynch's permission to take such information, and he titled the above spreadsheet "vacation" in order to conceal that he did so.

By improperly taking non-public personal customer information from Merrill Lynch on January 2 and 3, 2014, Medvec caused the firm to violate Regulation S-P, in violation of FINRA Rule 2010.

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

- A suspension from association with any FINRA member in any capacity for ten business days.
- A \$5,000 fine.

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 fine shall be due and payable either immediately upon reassociation with a

member firm following the ten business 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.

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.

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 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.

Date (10/20/2015)

Respondent
Jason Gerald Medvec

Reviewed by:

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Accepted by FINRA:

11-10-15
Date

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

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