

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014040339501**

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

RE: Marc N. Jaffe, Respondent
General Securities Representative
CRD No. 2187547

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Marc N. Jaffe ("Respondent" or "Jaffe") submits 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

Jaffe first entered the securities industry when he associated with a FINRA member as a General Securities Representative ("GSR") in 1991. From October 2004 through March 2010, Jaffe was associated as a GSR with GunnAllen Financial, Inc. ("GA"). Since April 13, 2010, Jaffe has been associated with Finance 500, Inc. ("Finance 500") as a GSR. Jaffe has also been associated with Finance 500's affiliate, F500 Advisory Services Inc., since June 9, 2010, as an investment advisor.

RELEVANT DISCIPLINARY HISTORY

Respondent has no disciplinary history.

OVERVIEW

Jaffe failed to timely disclose on his Form U4 federal and state tax liens that arose between October 2008 and November 2011 in violation of Article V, Section 2 of the FINRA's By-Laws, NASD Conduct Rule 2110 and IM-1000-1 and FINRA Rules 2010 and 1122.

FACTS AND VIOLATIVE CONDUCT

On or about October 4, 2004, Jaffe submitted a Form U4 Uniform Application for Securities Industry Registration or Transfer ("Form U4") to become associated with GA. At that time, and during all other times relevant to this matter, Form U4 included the question, "Do you have any unsatisfied judgments or liens against you?" Jaffe answered "No."

After submitting his Form U4 in October 2004, Jaffe became the subject of four tax liens, issued between October 2008 and February 2010, as follows:

- On October 2, 2008, the Internal Revenue Service ("IRS") issued a federal tax lien against him in the amount of \$229,969.74 (the "October 2008 lien").
- On March 10, 2009, the IRS issued a federal tax lien against him in the amount of \$268,006.95 (the "March 2009 lien").
- On August 3, 2009, the IRS issued a federal tax lien against him in the amount of \$92,286.68 (the "August 2009 lien").
- On February 18, 2010, the State of Indiana, Department of Revenue ("IDR") issued a state tax warrant against him creating a lien in the amount of \$28,974.22 (the "February 2010 lien").

Jaffe remained associated with GA until March 2010, but did not update his Form U4 during his association with the firm to disclose the October 2008 lien, March 2009 lien, and August 2009 lien, despite having notice of the IRS liens on or about the time that each was issued.

On or about April 13, 2010, Jaffe completed a Form U4 to become associated with Finance 500. At that time, Jaffe failed to disclose the October 2008 lien, March 2009 lien, and August 2009 lien. After Jaffe submitted his Form U4 in April 2010, Jaffe became the subject of seven additional tax liens, issued between August 2010 and November 2011, as follows:

- On August 10, 2010, the IDR issued three state tax warrants against him creating liens in the amounts of \$323.56, \$124,852.01, and \$26,904.60 (the "August 2010 liens").

- On October 14, 2010, the IRS issued a federal tax lien against him in the amount of \$129,310.01 (the "October 2010 IRS lien").
- On October 15, 2010, the IDR issued a state tax warrant against him creating a lien in the amount of \$1,964 (the "October 2010 IDR lien").
- On August 16, 2011, the IDR issued a state tax warrant against him creating a lien in the amount of \$18,989.08 (the "August 2011 lien").
- On November 9, 2011, the IDR issued a state tax warrant against him creating a lien in the amount of \$1,326 (the "November 2011 lien").

Although Jaffe has been associated with Finance 500 since April 2010, he did not update his Form U4 to disclose the February 2010 lien, August 2010 liens, October 2010 IRS lien, October 2010 IDR lien, August 2011 lien, and November 2011 lien within thirty days of learning of the liens, despite having notice of the IRS liens on or about the time that each was issued and having notice of the IDR liens no later than July 22, 2013.

In March 2014, Jaffe amended his Form U4 to report that he was subject to "unsatisfied" liens. Specifically, he reported that he was the subject of IRS liens totaling \$719,573.38. Thereafter, in October 2014, Jaffe disclosed the IDR liens totaling \$203,332. On January 7, 2015, Jaffe amended his Form U4 to disclose that the seven IDR liens were no longer outstanding as of December 4, 2014, because each had been paid in full.

As a result of the foregoing conduct, Jaffe willfully violated Article V, Section 2 of the FINRA By-Laws, NASD Conduct Rule 2110 (for conduct before December 15, 2008), NASD IM-1000-1 (for conduct before August 17, 2009) and FINRA Rules 2010 (for conduct on or after December 15, 2008) and 1122 (for conduct on or after August 17, 2009).

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

- A \$15,000 fine; and
- A suspension from association with any FINRA member firm in any capacity for 60 business days.

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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).

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 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 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 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.

8/25/15
Date (mm/dd/yyyy)

Marc N. Jaffe
Marc N. Jaffe, Respondent

Reviewed by:

Jonathan D. Sweik
Jonathan D. Sweik
Counsel for Respondent
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Birmingham, Michigan 48009
Phone: (248) 502-3300

Accepted by FINRA:

8/26/15
Date

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

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