

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Jeffrey S. Cederberg
(CRD No. 4557771),

Respondent.

DISCIPLINARY PROCEEDING
No. 2014040815101

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. While registered with FINRA through a member firm, Respondent Jeffrey S. Cederberg willfully failed to timely amend his Uniform Application for Securities Industry Registration ("Form U4") to disclose a federal tax lien and two state tax liens totaling approximately \$70,000 that were filed against him.
2. By reason of the foregoing, Cederberg violated (i) Article V, Section 2(c) of the FINRA By-Laws, (ii) NASD Interpretive Material ("IM") 1000-1 (for the conduct before August 17, 2009), (iii) FINRA Rule 1122 (for the conduct on or after August 17, 2009), and (iv) FINRA Rule 2010.

RESPONDENT AND JURISDICTION

3. In 2002, Cederberg first became registered with FINRA as a Direct Participation Programs Representative. Since May 2008, Cederberg has been registered in that capacity through an association with Primex (BD No. 29394).
4. In light of his current registration with a FINRA member firm, Cederberg remains subject to FINRA's jurisdiction pursuant to Article V of FINRA's By-Laws.

CAUSE OF ACTION

Willful Failure to Amend Form U4 to Disclose Material Information (Article V, Section 2(c) of the FINRA By-Laws, NASD IM-1000-1, and FINRA Rules 1122 and 2010)

5. The Department realleges and incorporates by reference paragraphs 1 through 4 above.
6. Article V, Section 2(c) of the FINRA By-Laws requires that registrations filed with FINRA be kept current at all times and that amendments must be filed with FINRA "not later than 30 days after learning of the facts or circumstances giving rise to the amendment."
7. NASD IM-1000-1 provided, "The filing with the Association of information with respect to membership or registration as a Registered Representative which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or the failure to correct such filing after notice thereof, may be deemed to be conduct inconsistent with just and equitable principles of trade and when discovered may be sufficient cause for appropriate disciplinary action."

8. FINRA Rule 1122, which superseded NASD IM-1000-1 effective August 17, 2009, provides, "No member or person associated with a member shall file with FINRA information with respect to membership or 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."
9. FINRA Rule 2010 requires the observance of high standards of commercial honor and just and equitable principles of trade.
10. At all times relevant to this Complaint, Question 14M of the Form U4 asked: "Do you have any unsatisfied judgments or liens against you?" If the answer is yes, the registered person is required to provide details about the judgment or lien.
11. In 2009 and 2010, federal and state tax authorities filed three tax liens against Cederberg, as follows:
 - a. On or about April 14, 2009, the Internal Revenue Service recorded a tax lien against Cederberg in the amount of \$33,152. This lien was released in July 2016.
 - b. On or about May 4, 2009, the State of California recorded a tax lien against Cederberg in the amount of \$35,093. This lien remains unsatisfied.
 - c. On or about January 20, 2010, the State of California recorded a tax lien against Cederberg in the amount of \$1,958. This lien remains unsatisfied.
12. Cederberg was aware of each of the above liens and listed them in a Chapter 7 bankruptcy filing made in June 2012 in the United States Bankruptcy Court.

13. The three tax liens constituted material information that Cederberg was obligated to timely disclose on his Form U4.
14. Nevertheless, Cederberg failed to disclose the three tax liens on his Form U4 until April 2, 2015, following an inquiry from FINRA staff.
15. Based on the foregoing, Cederberg willfully failed to timely amend his Form U4 to disclose a federal tax lien and two state tax liens in violation of Article V, Section 2(c) of FINRA's By-Laws, NASD IM-1000-1 (for the conduct on or before August 16, 2009), FINRA Rule 1122 (for the conduct on or after August 17, 2009), and FINRA Rule 2010.

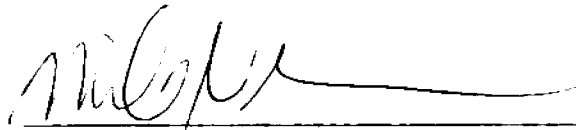
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed;
- C. order that Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330; and
- D. make specific findings that Respondent's conduct as alleged was willful; the omitted information was material; and, the omission to state material facts was on a Form U4 application.

FINRA DEPARTMENT OF ENFORCEMENT

Date: OCT 10, 2016



Michael J. Newman, Senior Regional Counsel
Christopher Kelly, Regional Chief Counsel
FINRA Department of Enforcement
581 Main Street, Suite 710
Woodbridge, NJ 07095
(732) 596-2030; Fax: (202) 721-6557
Michael.newman@finra.org