

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014041637601**

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

RE: Anthony Blackshear, Respondent
Former Registered Representative
CRD No. 4392612

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:

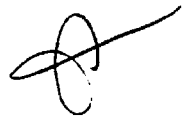
BACKGROUND

Anthony Wayne Blackshear ("Blackshear") first became associated with a FINRA member firm in April 2001. He became registered with PFS Investments Inc. ("PFSI" or the "Firm") as an Investment Company and Variable Contracts Products Representative (Series 6) on May 21, 2001, and later as an Investment Company and Variable Contracts Products Principal (Series 26) on June 25, 2001. Blackshear's registration with PFSI was terminated on June 19, 2014.

Although Blackshear is no longer associated with a FINRA member firm, FINRA retains jurisdiction over him pursuant to Article V, Section 4 of the FINRA By-Laws.

OVERVIEW

In September 2013, Blackshear misplaced \$5,000 in cash he received from a customer to open a retirement account. The cash was lost and never applied to the account in violation of FINRA Rules 2150(a) and 2010. In addition, in



September 2010, Blackshear borrowed money from a separate customer without receiving prior approval from PFSI in violation of FINRA Rules 3240 and 2010.

FACTS AND VIOLATIVE CONDUCT

Misuse of Customer Funds

In September 2013, Blackshear met with a PFSI customer, who was also a long-time personal friend, in Austin, Texas, to complete the paperwork necessary to open an individual retirement account. The customer gave \$5,000 in cash to Blackshear to fund the account. Blackshear accepted the funds even though he knew it was against PFSI policy to accept cash from a customer. Blackshear placed the cash and accompanying paperwork in the trunk of his car and subsequently returned to his office in Houston, Texas. Blackshear failed to promptly open the account and when he later attempted to locate the funds, he could not find them. Rather than promptly address the situation, Blackshear waited until the customer complained, at which point, the Firm terminated Blackshear and repaid the customer.

FINRA Rule 2150(a) provides that no member or person associated with a member shall make improper use of a customer's securities or funds. An associated person makes improper use of customer funds by failing to apply the customer's funds as directed by the customer. By failing to apply the \$5,000 to the customer's retirement account, Blackshear misused customer funds in violation of FINRA Rules 2150(a) and 2010.

Borrowing Customer Funds

In September 2010, Blackshear borrowed approximately \$3,000 from a separate PFSI customer, who was also Blackshear's personal friend. Blackshear did not notify or seek approval from PFSI prior to accepting the loan. Additionally, Blackshear failed to disclose the loan on his 2010 compliance questionnaire.

Blackshear repaid the customer; however, there was a dispute between the customer and Blackshear regarding the total amount owed. Blackshear disclosed the loan to PFSI in September 2011, after being unable to resolve the disagreement over the repayment amount.

FINRA Rule 3240 prohibits registered persons from borrowing money from a customer unless their member firm has written procedures allowing the borrowing and certain conditions are met. Except for certain loans between family members or from certain customers in the business of lending, the registered person must also receive pre-approval in writing of the lending arrangement from their member firm. By borrowing approximately \$3,000 from a firm customer without seeking or obtaining prior approval from PFSI, Blackshear violated FINRA Rules 3240 and 2010.

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

- A two-year suspension from associating with any FINRA member in any capacity; and
- A fine of \$12,500.

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 two-year 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.

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:

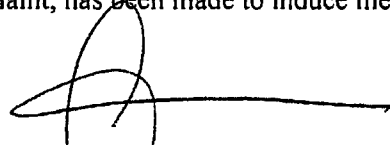
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will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

4/8/2016

Date (mm/dd/yyyy)



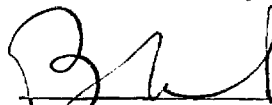
Anthony Blackshear, Respondent

Accepted by FINRA:

4/26/16

Date

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



Perry C. Hubbard

Director

FINRA Department of Enforcement

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Rockville, MD 20850

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