

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014042261801**

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

**RE: Andrew M. Arthur, Respondent
Registered Representative
CRD No. 1864083**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Andrew M. Arthur ("Arthur") 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.

L

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

Arthur first became registered with FINRA through an association with a former member firm in 1992, as a General Securities Representative ("GSR"). Between 1994 and October 2010, Arthur was registered with FINRA as a GSR through several other member firms. In December 2010, Arthur became registered as a GSR through an association with FBR Capital Markets & Co. (BD No. 25027) ("FBR"), where he additionally became registered as a General Securities Principal ("GSP") in May 2011 until August 2014. In August 2014, Arthur began working at another member firm, where he continues to be registered as both a GSR and GSP.

RELEVANT DISCIPLINARY HISTORY

Arthur has no disciplinary history.

OVERVIEW

While registered with FINRA through FBR, Arthur failed to amend his Uniform Application for Securities Industry Registration or Transfer ("Form U4") to report a federal tax lien. As a result of this misconduct, Arthur violated Article V, Section 2(c) of the FINRA By-Laws and FINRA Rules 1122 and 2010.

FACTS AND VIOLATIVE CONDUCT

Article V, Section 2(c) of the FINRA By-Laws requires that registered persons keep their Forms U4 "current at all times," and that amendments to Forms U4 be filed "not later than 30 days after learning of the facts or circumstances giving rise to the amendment." Disclosure Question 14M of Form U4 asks: "Do you have any unsatisfied judgments or liens against you?"

FINRA Rule 1122 requires registered persons to correct incomplete or inaccurate information on their Form U4. FINRA Rule 2010 provides that "[a] member, in the Conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade."

In May 2013, the IRS filed a Notice of Federal Tax Lien against Arthur in the amount of approximately \$111,131. The lien required disclosure on Arthur's Form U4 beginning 30 days after learning of the facts and circumstances giving rise to the amendment; however he did not disclose the lien on his Form U4 until August 25, 2014.

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

- A 30-calendar day suspension from association with any FINRA member firm in any capacity; and
- A fine in the amount of \$5,000.

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).

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:

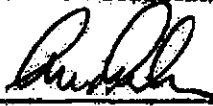
1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
3. FINRA may make a public 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 Respondent's: (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.

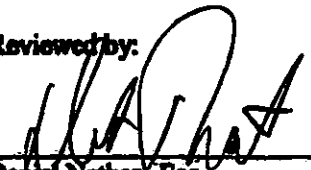
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute 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.

10/27/2015
Date (mm/dd/yyyy)


Andrew M. Arthur

Reviewed by:

Daniel Nathan, Esq.
Morville LLP
1101 17th Street, NW
Washington, DC 20036
Phone: 202-803-5854

Accepted by FINRA:

November 20, 2015
Date

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


Christina J. Kang
Senior Regional Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street
New York, New York 10281-1003
(212) 858-4009; fax: (212) 858-4770
christina.kang@finra.org