

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20140428621**

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

**RE: Michael Gregg Lieberman, Respondent
Non-Registered Fingerprint Individual
CRD No. 5266225**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Michael Gregg Lieberman ("Lieberman" or "Respondent"), 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

Between July 2009 and May 2014, Lieberman was associated with Credit Agricole Securities (USA) ("CAS" or the "Firm"), a FINRA regulated broker-dealer, as a non-registered fingerprint individual. Lieberman worked as an operations analyst in CAS's international settlements department, a role which provided him with access to funds in the Firm's Euroclear depository and clearance accounts. The Euroclear accounts are primarily used to settle the Firm's securities transactions, and are funded from the Firm's operating account.¹ By virtue of his activities in the securities industry, Lieberman is an Associated Person as that term is defined by FINRA By-Laws.

On May 22, 2014, Lieberman voluntarily resigned from CAS. On October 3, 2014, CAS reported to FINRA that it was investigating an employee fraud issue

¹ The Firm is determining whether customer assets were impacted as a result of Lieberman's alleged misconduct.

related to Lieberman.

Lieberman is not currently associated with a FINRA-regulated broker dealer. However, pursuant to Article V, Section 4 of FINRA's By-Laws, Lieberman remains subject to FINRA's jurisdiction until May 21, 2016.

RELEVANT DISCIPLINARY HISTORY

Lieberman has no disciplinary history in the securities industry.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 8210 provides, in relevant part, that "[f]or the purpose of an investigation, complaint, examination, or proceeding authorized by the FINRA By-Laws or rules . . . FINRA staff shall have the right to . . . require a member, person associated with a member, or person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically. . . with respect to any matter involved in the investigation, complaint, examination, or proceeding."

FINRA Rule 2010 requires that associated persons, in the conduct of their business, observe high standards of commercial honor and just and equitable principles of trade. Failure to comply with Rule 8210 is a violation of FINRA Rule 2010.

FINRA commenced an investigation into allegations that Lieberman may have converted approximately \$1.4 to \$1.6 million of CAS funds between June 2012 and May 2014. By letter dated October 6, 2014, FINRA requested, pursuant to FINRA Rule 8210, that Lieberman provide documents and information related to those allegations no later than October 20, 2014. The letter advised Lieberman that his failure to provide the requested documents and information by that date could subject him to disciplinary action and the imposition of sanctions, including a bar from the securities industry. The October 6, 2014, letter was personally served on Lieberman's wife at their residential address.

Lieberman failed to provide the requested documents or information by October 20, 2014.

On October 21, 2014, Lieberman, through his counsel, informed FINRA that he would not cooperate with FINRA's investigation, and that he understood the consequences of his failure to cooperate would be a bar from the securities industry.

To date, Enforcement has not received the documents and information requested.

By failing to provide documents and information and to cooperate with Enforcement's investigation, Lieberman violated FINRA Rules 8210 and 2010.

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

A bar from association with any FINRA member in any capacity.

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. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

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 response to public inquiries about my disciplinary record;
 - 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.

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.

10/25/14

Date



Michael Gregg Lieberman, Respondent

Reviewed by:



Linda T. Pellegrino, Esq.
Counsel for Respondent
Law Office of Raymond A. Grimes, P.C.
1367 Route 202 North
Neshanic Station, New Jersey 08853
Tel: 908-371-1066
Fax: 908-371-1076

Accepted by FINRA:

10-30-2014

Date

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



Richard Chin
Chief Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street, 11th Floor
New York, NY 10281-1003
Tel: 646-315-7322
Fax: 202-689-3415