

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20140429443 01**

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

RE: Arie Baron, Respondent
General Securities Representative
CRD No. 5847939

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Arie Baron ("Respondent" or "Baron") 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 him alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A** Respondent hereby accept and consents, 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

From December 2010 through October 2014, Baron was associated with Leumi Investment Services (BD No. 105387) ("Leumi" or the "Firm"), as a General Securities Representative. The Firm filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") on October 8, 2014 indicating a termination date of October 7, 2014.

RELEVANT DISCIPLINARY HISTORY

Baron does not have any disciplinary history with the Securities and Exchange Commission, FINRA, any other self-regulatory organization or any state securities regulator.

OVERVIEW

Baron effected 161 discretionary transactions in the securities accounts of seven Leumi customers without written authorization. This conduct violated NASD Conduct Rule 2510(b) and FINRA Rule 2010. In addition, Baron violated FINRA Rule 2010 by forging the signatures of two customers on four mutual fund switch letters.

FACTS AND VIOLATIVE CONDUCT

1. NASD Conduct Rule 2510(b) prohibits registered representatives from exercising any discretionary power in a customer's account unless such customer has given prior written authorization to the registered representative and the registered representative's member firm has provided prior written acceptance of the account as discretionary.

Between August 2013 and June 2014, Baron effected 161 discretionary transactions in eight accounts of seven customers without having obtained prior written authorization from the customer and written acceptance of the accounts as discretionary by Leumi.

By reason of the foregoing, Baron violated NASD Conduct Rule 2510(b) and FINRA Rule 2010.

2. During October 2013 and February 2014, Baron forged the signatures of two customers on four mutual fund switch letters without those customers' knowledge or consent.

FINRA Rule 2010 requires members and associated persons to observe high standards of commercial honor and just and equitable principles of trade. By forging the customers' signatures, Baron violated FINRA Rule 2010.

- B. Respondent also consents to the imposition of the following sanctions:

- A suspension from association with any FINRA member in any and all capacities for seven months; and
- A \$15,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm following the seven-month 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.

Respondent specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes 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, Respondent 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

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against him;**
- 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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives 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

Respondent understands 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 him; and**

C. If accepted:

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
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. Respondent 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. Respondent 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. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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.

Respondent certifies that he has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that he has 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 Respondent to submit it

06/20/2015
Date (mm/dd/yyyy)


Arte Baron
Respondent

Accepted by FINRA:

August 6, 2015

Date

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



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