

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20140429989 01**

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

**RE: Aaron Heimowitz, Respondent
Registered Representative
CRD No. 241866**

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Aaron Heimowitz ("Heimowitz" or the "Respondent") 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 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

Respondent joined the securities industry in January 1965 as General Securities Representative ("GSR"). He became a General Securities Principal ("GSP") in September 1974 and a Municipal Securities Principal ("MSP") in July 1988. He was associated with 14 member firms between 1965 and 2008. In April 2008, after leaving his prior firm, Respondent became associated with Newport Coast Securities, Inc. (BD No. 16944) ("Newport" or the "Firm"), where he continued to be registered as a GSR, GSP, and MSP.

On June 22, 2012, Newport filed a Uniform Termination Notice for Securities Industry Registration (Form U5) terminating Respondent's registration through Newport. Respondent was subsequently associated with two other member firms between June 2012 and December 2014. He is not currently associated with a FINRA member firm. Pursuant to Article V, Section 4 of the By-Laws, however, FINRA retains jurisdiction over him.

RELEVANT DISCIPLINARY HISTORY

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

OVERVIEW

This matter concerns (i) Respondent's participation in private securities transactions without providing prior notice to his firm, in violation of NASD Conduct Rules 3040 and 2110 and FINRA Rule 2010; and (ii) Respondent's engagement in an outside business activity without providing prior notice to his firm, in violation of FINRA Rules 3270 and 2010, and NASD Conduct Rules 3030 and 2110.

FACTS AND VIOLATIVE CONDUCT

Private Securities Transaction

NASD Conduct Rule 3040 requires an associated person to provide written notice to his or her firm prior to participating in any private securities transaction, which is defined as any securities transaction outside of the scope of the associated person's employment, with certain exceptions.

Between August 2008 and August 2011, while Respondent was registered through Newport, Respondent recommended that four customers of Newport, two of whom were a married couple holding a joint account (collectively, the "Customers"), purchase securities in three companies that did not offer securities through Newport (the "Companies"). Specifically, in December 2008, Respondent recommended that one customer invest in a gold mining company, for which Respondent's son served as the CEO. Respondent also provided this customer with promotional materials. Subsequently, this customer invested a total of \$26,000 in the company.

In addition, between August 2008 and August 2011, Respondent recommended that all of the Customers invest in two other companies, both of which specialized in the production and development of renewable energy. Respondent was a consultant for these companies. After Respondent provided the Customers with promotional materials, each of the Customers invested in each of these companies. Collectively, the Customers invested a total of \$255,000.

Respondent also arranged for the Customers to receive certificates or other materials confirming their purchases of the Companies' securities.

Respondent did not provide Newport with any written or other notice of his participation in the Customers' purchase of the securities prior to facilitating the transactions.

By reason of the foregoing, Respondent violated NASD Conduct Rule 3040, NASD Conduct Rule 2110 (before December 15, 2008), and FINRA Rule 2010 (on and after December 15, 2008).¹

Outside Business Activity

NASD Conduct Rule 3030 prohibits any person associated with a member firm from being employed by, or accepting compensation from, any other person as a result of any business activity, other than a passive investment, outside the scope of his relationship with his employer firm, unless the person has provided prompt written notice to the member. The notice must be given at the time steps are taken to commence a business activity.

FINRA Rule 3270 prohibits any person associated with a FINRA member firm from being an employee, independent contractor, sole proprietor, officer, director or partner of another person, or being compensated, or having the reasonable expectation of compensation, from any other person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to the member, in such form as specified by the member.²

Between December 2008 and August 2011, Respondent purchased gold and silver coins from the U.S. Treasury and sold them to the Customers. Respondent failed to provide any notice to Newport of this outside business activity.

By reason of the foregoing, Respondent violated NASD Conduct Rule 3030 (before December 15, 2010), FINRA Rule 3270 (on and after December 15, 2010), NASD Conduct Rule 2110 (before December 15, 2008), and FINRA Rule 2010 (on and after December 15, 2008).

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

- a suspension from association with any FINRA member firm in any capacity for a period of seven months; and
- a fine in the amount of \$15,000.

The fine shall be due and payable either immediately upon re-association 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.

I specifically and voluntarily waive any right to claim that I am unable to pay,

¹ FINRA Rule 2010 replaced NASD Conduct Rule 2110 effective December 15, 2008.

² FINRA Rule 3270 replaced NASD Conduct Rule 3030 effective December 15, 2010.

now or at any time hereafter, the monetary sanction(s) 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:

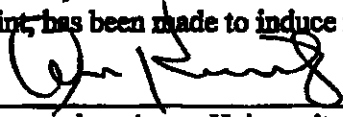
1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;—
3. FINRA may make a public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

10/28/15

Date (mm/dd/yyyy)



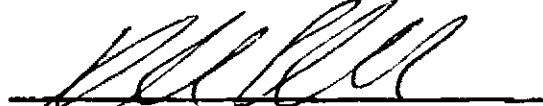
Respondent Aaron Heimowitz

Accepted by FINRA:

October 15, 2015

Date

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



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