

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015043939101**

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

RE: Lawrence J. Fawcett, Respondent
General Securities Representative
CRD No. 5851474

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Lawrence J. Fawcett ("Fawcett" 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

Fawcett first became registered with FINRA as a General Securities Representative ("GSR") through a member firm in April 2012. From September 2013 through June 2015, Fawcett was registered as a GSR through SW Financial ("SWF"). Since June 2015, Fawcett has been registered with FINRA as a GSR through another member firm. Pursuant to Article V, Section 4 of FINRA's By-Laws, FINRA has jurisdiction over him.

RELEVANT DISCIPLINARY HISTORY

Fawcett has no prior disciplinary history with the Securities and Exchange Commission, FINRA, any other self-regulatory organization or any state regulator.

OVERVIEW

Fawcett recommended unsuitable mutual fund transactions to a customer. As a

result, Fawcett violated FINRA Rules 2111 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 2111 requires associated persons to have a reasonable basis to believe that a recommended transaction or investment strategy involving a security or securities is suitable for the customer, based on the customer's investment profile, including, among other things, the customer's age, investment objectives, and investment time horizon.

FINRA Rule 2010 requires associated persons to observe high standards of commercial honor and just and equitable principles of trade.

In April 2015, customer HR opened an IRA account at SWF with Fawcett. The new account form listed HR's investment objective as "Preservation of Capital" and his investment time horizon as "short-term (1-3) years." The new account form noted that the "investment purpose" for the account was to "save for retirement."

In May 2015, HR transferred mutual funds he held at another firm to his IRA account at SWF. All of the mutual funds were comprised of Class A shares from the same fund family. Three days later, based on Fawcett's recommendations, HR sold the mutual funds and used the proceeds, totaling approximately \$865,000, to purchase Class A shares of 14 different mutual funds from 12 different fund families (collectively, the "New Mutual Funds").

Fawcett's recommendation to switch to the New Mutual Funds was unsuitable because: (i) the New Mutual Funds' investment objectives, which were described as "capital appreciation," "capital growth," or "total return," were not consistent with HR's investment objective of capital preservation; (ii) Class A shares, which are generally appropriate for investors with long-term investment horizons, were not consistent with HR's shorter investment horizon; and (iii) by purchasing mutual funds from 12 different mutual fund families, HR did not receive available breakpoint discounts.

By virtue of the foregoing, Fawcett violated FINRA Rules 2111 and 2010.

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

- A suspension from association with any FINRA member in any capacity for fifteen business days;
- A \$2,500.00 fine; and
- Disgorgement of commissions received, which is ordered to be paid to FINRA in the amount of \$22,714.30, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621, from

May 14, 2015 until the date this AWC is accepted by the National
Adjudicatory Council.

I agree to pay the monetary sanctions upon notice that this AWC has been
accepted and that such payments are 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 sanctions 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

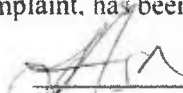
I understand that:

- 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 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

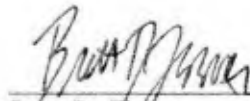
findings by FINRA, nor does it reflect the views of FINRA or its staff.

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.

11/29/2017
Date (mm/dd/yyyy)


Lawrence J. Fawcett, Respondent

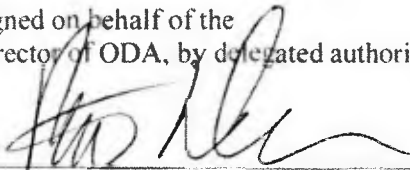
Reviewed by:


Brett D. Zinner, Esq.
Rosenberg Fortuna & Laitman, LLP
666 Old Country Road, Suite 810
Garden City, New York 11530
(516) 228-6666 - Tel

Accepted by FINRA:

12/18/2017
Date

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


Artur M. Wlazlo
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FINRA Department of Enforcement
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