

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015044007101**

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

RE: Christopher S. Scott ("Scott"), Respondent
CRD No. 1019176

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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

Scott entered the securities industry in 1981 and has been associated with several FINRA-regulated broker-dealers. Scott became registered as a Series 6 Investment Company Products/Variable Contracts Representative and a Series 26 Investment Company Products/Variable Contracts Principal in 1983 and 1987, respectively. In 1989, Scott obtained his Series 7 General Securities Representative license. In April 2008, Scott became associated with Geneos Wealth Management, Inc. ("Geneos" or the "Firm"), a FINRA-regulated broker-dealer, as a General Securities Representative and as an Investment Company Products/Variable Contracts Principal.

In a Uniform Termination Notice for Securities Industry Registration ("Form U5") dated January 7, 2015, Geneos reported that it terminated Scott's employment with the Firm on January 5, 2015 for violating Firm procedures by failing to immediately disclose a judicial action filed against him and his wife.

Scott is currently associated with a FINRA-regulated broker-dealer and, thus, remains subject to FINRA's jurisdiction.

RELEVANT DISCIPLINARY HISTORY

Scott has no disciplinary history in the securities industry.

OVERVIEW

In August 2013, Scott violated FINRA Rules 3240 and 2010 by borrowing money from a customer of his FINRA-regulated broker-dealer employer without prior written permission from or notice to his employer.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3240 prohibits an associated person from borrowing money from or lending money to a customer unless the registered representative's FINRA-regulated broker-dealer employer has written procedures that permit loans from customers and the loan satisfies certain conditions specified under the applicable rule.

FINRA Rule 2010 requires associated persons to "observe high standards of commercial honor and just and equitable principles of trade." Violation of FINRA Rule 3240 is considered inconsistent with high standards of commercial honor and just and equitable principles of trade.

In 2013, the Firm's written supervisory procedures ("WSPs") prohibited registered representatives from borrowing money or securities from customers. Scott borrowed \$10,000 from a Firm customer's brokerage account. The account was for a family trust for which Scott was a co-trustee and one of several beneficiaries. Scott was also the assigned registered representative on the trust brokerage account. The loan from the trust was memorialized in a promissory note, which stated that the loan carried an annual interest charge of two percent and was to be repaid on or before December 2018. Scott did not notify the Firm about the loan. In April 2014, Scott completed an annual compliance questionnaire, which asked him if he had "ever loaned money to [a] customer, borrowed money from a customer, coinvested with a customer, at any time?" Scott responded "no" to this question, which was inaccurate.

By virtue of his conduct, Scott violated FINRA Rules 3240 and 2010.

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

A fifteen business-day suspension from associating with any FINRA member in any capacity and a \$5,000 fine.

I agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) 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 sanction(s) 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.

10/20/2015
Date (mm/dd/yyyy)

Christopher Scott
Christopher S. Scott, Respondent

Reviewed by:

Steven Feder by BBone

Steven Feder
Counsel for Respondent
Feder Law Firm
Equitable Building
730 17th Street Suite 550
Denver, CO 80202

Accepted by FINRA:

11-9-2015
Date

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

Richard Chin
Richard Chin
Chief Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street
New York, New York 10281-1003