

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015045020501**

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

RE: James Rose, Respondent
General Securities Representative
CRD No. 4842996

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

Respondent James Rose entered the securities industry in August 2004 when he became associated with UBS Financial Services, Inc., ("UBS"), a FINRA member firm. Rose holds the Series 7 and 66 licenses. Rose's association with UBS was terminated on March 4, 2015. Rose's registration with FINRA was terminated on April 1, 2015, when a Form U5 was filed on his behalf. Rose is not currently associated with a member firm, but is subject to FINRA jurisdiction until March 31, 2017, pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Rose has no relevant disciplinary history.

OVERVIEW

Respondent James Rose engaged in six outside business activities ("OBAs")

without seeking approval from or disclosing these OBAs to UBS in violation of NASD Rules 3030 (for conduct prior to December 15, 2010) and 2110 (for conduct prior to December 15, 2008) and FINRA Rules 3270 (for conduct on or after December 15, 2010) and 2010 (for conduct on or after December 15, 2008). In addition, Rose invested in a private securities transaction without disclosing this fact to UBS in violation of NASD Rules 3040 and 2110. Lastly, Rose failed to disclose to UBS 15 outside brokerage accounts over which he had an ownership interest or trading authority, in violation of NASD Rule 3050 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Failure To Disclose Outside Business Activities (Violation of NASD Rules 3030 (for conduct prior to December 15, 2010) and 2110 (for conduct prior to December 15, 2008) and FINRA Rules 3270 (for conduct on or after December 15, 2010) and 2010 (for conduct on or after December 15, 2008))

NASD Rule 3030, which was in effect through December 14, 2010, provides, in relevant part, that “[n]o person associated with a member in any registered capacity shall be employed by, or accept 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 he has provided prompt written notice to the member.”

FINRA Rule 3270 replaced NASD Rule 3030 on December 15, 2010. Rule 3270 provides, in relevant part, that, “[n]o registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated, or have 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.”

During the time period of August 2004 through May 2014, Rose formed and/or served as an active member of six companies that managed family assets, such as real estate, while associated with UBS, but failed to disclose these OBAs to the firm. Based on the foregoing conduct, Rose violated NASD Rules 3030 (for conduct prior to December 15, 2010) and 2110 (for conduct prior to December 15, 2008) and FINRA Rules 3270 (for conduct on or after December 15, 2010) and 2010 (for conduct on or after December 15, 2008).

Failure To Disclose Private Securities Transactions (Violation of NASD Rules 3040 and 2110)

NASD Rule 3040 prohibits associated persons from participating in any manner in a private securities transaction outside their regular course of employment with a member firm, without providing prior written notice and receiving prior written

approval from the member firm. The term "private securities transaction," as defined in NASD Rule 3040(e)(1), means any security transaction outside the regular course or scope of an associated person's employment with a member.

In or around 2008, while associated with UBS, Rose invested \$200,000 of his own funds in a start-up software applications limited liability company. In exchange for his investment, Rose became a member of the limited liability company. Rose is not an officer, director or employee of the company. Rose's investment constituted an investment contract, and was, therefore, a private securities transaction. Rose did not provide written notice to, or receive prior written approval from, UBS before making the investment.

Based on foregoing conduct, Rose violated NASD Rules 3040 and 2110.

Failure To Disclose Outside Securities Accounts (Violation of NASD Rule 3050 and FINRA Rule 2010)

NASD Rule 3050(c) provides that "[a] person associated with a member, prior to opening an account or placing an initial order for the purchase or sale of securities with another member, shall notify both the employer member and the executing member, in writing, of his or her association with the other member; provided, however, that if the account was established prior to the association of the person with the employer member, the associated person shall notify both members in writing promptly after becoming so associated." FINRA Rule 3050(e) provides that "[p]aragraph (c) shall apply only to an account or order in which an associated person has a financial interest or with respect to which such person has discretionary authority."

From at least 2010 through May 2014, Rose, while associated with UBS, failed to disclose to UBS that he had either a financial interest or maintained trading authority in 15 accounts held away from UBS. Based on the foregoing, Rose violated NASD Rule 3050(c) and FINRA Rule 2010.

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

A six month suspension from associating with a member firm in any capacity and a \$25,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm, 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, 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.

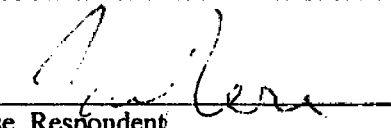
OTHER MATTERS

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.

1/16/2017
Date (mm/dd/yyyy)


James Rose, Respondent

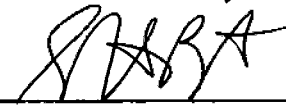
Reviewed by:


Michael J. McNamara
Counsel for Respondent
Seward & Kissel, LLP
One Battery Park Plaza
New York, New York 10004
212-574-1581

Accepted by FINRA:

2-2-2017
Date

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


Suzanne H. Bertollett
Senior Regional Counsel
Enforcement Department
FINRA – Florida District Office
5200 Town Center Circle
Tower 1, Suite 200
Boca Raton, FL 33486
561.443.8127/561.443.7998 (f)
suzanne.bertollett@finra.org
Authorized House Counsel
Member Georgia Bar Only