

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Joel William Victory, IV
(CRD No. 5137138),

Respondent.

DISCIPLINARY PROCEEDING
No. 2015045269001

HEARING OFFICER – KBW

**ORDER ACCEPTING
OFFER OF SETTLEMENT**

Date: June 27, 2016

INTRODUCTION

Disciplinary Proceeding No. 2015045269001 was filed on April 28, 2016 by the Department of Enforcement of the Financial Industry Regulatory Authority (“FINRA”). Respondent Joel William Victory, IV (“Respondent” or “Victory”) submitted an Offer of Settlement (“Offer”) dated May 22, 2016 to Complainant. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (“NAC”), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (“ODA”) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought on behalf of FINRA or to which FINRA is a party, to the entry of findings and violations consistent with the allegations of the Complaint and to the imposition of the

sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

From August 1, 2006 through March 24, 2015, Victory was registered as a General Securities Representative at FINRA member firm LPL Financial LLC (the "Firm"). On April 27, 2015, the Firm filed a Uniform Termination Notice for Securities Industry Registration reporting that it had terminated Victory. Victory has not been associated with any FINRA-regulated broker-dealer since his termination.

Although Victory is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding pursuant to Article V, Section 4 of FINRA's By-Laws because: (a.) the Complaint was filed within two years after the effective date of termination of Victory's registration with the Firm (March 24, 2015); and (b.) the Complaint charges him with misconduct committed while he was registered with a FINRA member.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

1. Respondent Joel William Victory, IV willfully failed to timely disclose three felony charges and convictions on his Uniform Application for Securities Industry Registration or Transfer ("Form U4").
2. Victory thereby violated: (i) Article V, Section 2(c) of the NASD and FINRA By-Laws; (ii) NASD Interpretive Material 1000-1 (for the conduct on or before August 16, 2009) and FINRA Rule 1122 (for conduct on or after August 17, 2009); and (iii) NASD Conduct Rule 2110 (for conduct on or before December 14, 2008) and FINRA Rule 2010 (for conduct on or after December 15, 2008).

Respondent and Jurisdiction

3. From August 1, 2006 through March 24, 2015, Victory was registered as a General Securities Representative at FINRA member LPL Financial LLC (the "Firm").
4. Although Victory is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because:
 - a. the Complaint was filed within two years after the effective date of termination of Victory's registration with the Firm (March 24, 2015); and
 - b. the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

Factual Background

5. On May 14, 1998, Victory was charged with a felony in the 292nd District Court in Dallas, Texas, for unlawful possession of a controlled substance (cocaine), and on February 12, 1999, Victory pled guilty to the same felony charge.
6. Victory completed a Form U4 Uniform Application for Securities Industry Registration or Transfer ("Form U4") on August 1, 2006.
7. In the Form U4, Victory agreed "to update this form by causing an amendment to be filed on a timely basis whenever changes occur to answers previously reported" and further represented that, "to the extent any information previously submitted is not amended, the information provided in this form is currently accurate and complete."
8. The Form U4 specifically included the following question at all times relevant to this Complaint: "Have you ever (a) been convicted of or pled guilty or nolo contendere ('no contest') in a domestic, foreign, or military court to any felony?" and "Have you ever (b) been charged with any felony?"

9. Victory was aware of both the May 1998 felony charge for unlawful possession of a controlled substance and his February 1999 guilty plea to the same charge.
10. Victory willfully failed to disclose both the May 1998 felony charge for unlawful possession of a controlled substance and the February 1999 guilty plea to the same charge on his August 1, 2006 Form U4.
11. On December 18, 2014, Victory was charged with a felony in Johnson County, Texas, for violating Texas Health and Safety Code Section 481.115(b) (possession of a controlled substance under 1 gram).
12. On February 5, 2015, Victory was charged with a third-degree felony in Johnson County, Texas, for violating Texas Health and Safety Code Section 481.115(c) (possession of a controlled substance over 1 gram, but less than four grams).
13. Victory was aware of both the December 18, 2014 and February 5, 2015 felony charges, and his obligation to amend his Form U4 to disclose these charges.
14. Victory willfully failed to cause his Form U4 to be amended to disclose either felony charge within 30 days.
15. On April 27, 2015, the Firm filed a Form U5 reporting that it had terminated Victory after becoming aware of the December 18, 2014 and February 5, 2015 felony charges and filed a Disclosure Reporting Page including the details of those charges.

CAUSE OF ACTION

Willful Failure to Update Form U4

(Article V, Section 2(c) of the NASD and FINRA By-Laws, FINRA Rules 1122 and 2010, NASD Rule 2110, and NASD IM-1000-1)

Failure to Amend 2006 Form U4 to Include 1998 Felony Charge and Guilty Plea

16. NASD IM-1000-1, superseded by FINRA Rule 1122 effective August 17, 2009, provided, "The filing with the Association of information with respect to membership or

registration as a Registered Representative which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or the failure to correct such filing after notice thereof, may be deemed to be conduct inconsistent with just and equitable principles of trade and when discovered may be sufficient cause for appropriate disciplinary action.”

17. Article V, Section 2 of the NASD By-Laws required that associated persons who apply for registration provide such reasonable information with respect to the applicant as NASD may require and further that such applications be kept current at all times by supplementary amendment filed not later than 30 days after learning the facts or circumstances giving rise to the amendment.
18. NASD Conduct Rule 2110, superseded by FINRA Rule 2010 effective December 15, 2008, required the observance of high standards of commercial honor and just and equitable principles of trade.
19. The 1998 felony charge and 1999 guilty plea constitute material information that Victory was obligated to disclose on his Form U4.
20. Despite being aware of his 1998 felony charge and 1999 guilty plea, Victory willfully responded “No” to the following questions on the Form U4: “Have you ever (a) been convicted of or pled guilty or nolo contendere (‘no contest’) in a domestic, foreign, or military court to any felony?” and “Have you ever (b) been charged with any felony?”.
21. By willfully failing to disclose his 1998 felony charge and 1999 guilty plea on his August 2006 Form U4, Victory violated Article V, Section 2 of the NASD By-Laws, NASD IM-1000-1 and NASD Conduct Rule 2110.

Failure to Amend Form U4 to Include 2014 and 2015 Felony Charges

22. FINRA Rule 1122, which superseded NASD IM-1000-1 effective August 17, 2009, states

“No member or person associated with a member shall file with FINRA information with respect to membership or registration which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof.”

23. Article V, Section 2(c) of the FINRA By-Laws requires that registrations filed with

FINRA be kept current and that amendments be filed with FINRA “not later than 30 days after learning of the facts or circumstances giving rise to the amendment.”

24. FINRA Rule 2010, which superseded NASD Conduct Rule 2110 effective December 15,

2008, requires the observance of high standards of commercial honor and just and equitable principles of trade.

25. The December 18, 2014 and February 5, 2015 felony charges constitute material

information that Victory was obligated to disclose on his Form U4.

26. By willfully failing to amend his Form U4 to timely disclose his December 18, 2014 and

February 5, 2015 felony charges, Victory violated Article V, Section 2 of the FINRA By-Laws, and FINRA Rules 1122 and 2010.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Victory from any future misconduct, and represent a proper discharge by FINRA of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent be suspended from association with any FINRA member in any capacity for six months and fined \$5,000.

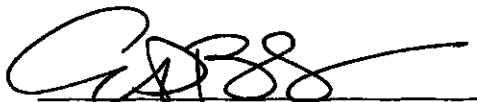
The fine is due and payable either immediately upon re-association with a member firm following the suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

SO ORDERED.

FINRA

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

A handwritten signature in black ink, appearing to read 'EDB', is written over a horizontal line.

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Counsel

FINRA Department of Enforcement

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