

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015046712301**

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

RE: Gerald Francis Cipolla, ("Respondent" or "Cipolla")
CRD No. 1669496

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

Cipolla entered the securities industry in 1993 when he became registered with PFS Investments Inc. ("PFS"), a FINRA regulated broker-dealer, as a Series 6 Investment Company Products/Variable Contracts Representative. In 1996, Cipolla became registered with PFS as a Series 26 Investment Company Products/Variable Contract Principal. On August 25, 2015, PFS filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") disclosing that Cipolla had been permitted to resign from PFS while under internal review for improper trade recommendations. Although Cipolla has not reassociated with another FINRA regulated broker-dealer, pursuant to Article V, Section 4(a) of FINRA's By-Laws, FINRA retains jurisdiction over Cipolla.

RELEVANT DISCIPLINARY HISTORY

Cipolla has no relevant disciplinary history in the securities industry.

OVERVIEW

After initiating an investigation in August 2015 regarding potential conversion related to Cipolla's purchase of 4,000 shares of stock in an initial public offering ("IPO") using funds from his co-workers; complaints by customers regarding unsuitable investment recommendations; and Cipolla's potential failure to disclose certain financial events to PFS and on his Uniform Notice for Securities Industry Registration ("Form U4"), FINRA requested, pursuant to FINRA Rule 8210, that Cipolla produce documents and information. Cipolla failed to produce certain documents and information and informed the staff that he would no longer cooperate with FINRA's investigation, in violation of FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 8210(a)(1) requires a member, person associated with a member, or person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically and to testify at a location specified by FINRA staff, under oath or affirmation administered by a court reporter or a notary public if requested, with respect to any matter involved in the investigation, complaint, examination, or proceeding. FINRA Rule 2010 requires that members and associated persons "observe high standards of commercial honor and just and equitable principles of trade." Failure to comply with Rule 8210 is a violation of FINRA Rule 2010.

On August 26, 2015, FINRA opened an investigation regarding potential conversion by Cipolla related to Cipolla's purchase of 4,000 shares of stock in an IPO using funds from his co-workers; complaints by customers regarding unsuitable investment recommendations; and Cipolla's potential failure to disclose certain financial events to PFS and on his Form U4. On August 28, 2015 and November 18, 2015, FINRA staff sent Cipolla two letters, pursuant to FINRA Rule 8210, requesting that Cipolla produce documents. Cipolla, through his counsel, responded, in part, to both requests. However, he failed to produce certain requested bank statements.

On June 24, 2016, FINRA staff sent a letter to Cipolla's attorney, pursuant to FINRA Rule 8210, requesting that Cipolla produce, among other items, bank statements previously requested and additional financial information, by no later than July 8, 2016. The letter informed Cipolla that if he failed to produce the requested documents and information, he could be subject to a disciplinary action and the imposition of sanctions, including a bar. FINRA staff later granted an extension of time to respond until July 15, 2016. On July 12, 2016, Cipolla's attorney informed the staff that Cipolla would not produce the documents and information requested in the June 24, 2016 letter and would no longer cooperate with FINRA's investigation. To date, Cipolla has failed to provide the documents and information requested in the June 24, 2016 letter.

As a result of the foregoing conduct, Cipolla violated FINRA Rules 8210 and 2010.

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

A bar from association with any FINRA regulated broker-dealer in any capacity.

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. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

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.**

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.

08/22/2016
Date (mm/dd/yyyy)

Gerald Francis Cipolla
Gerald Francis Cipolla, Respondent

Reviewed by:

Edward W. Larkin

Edward W. Larkin
Counsel for Respondent
Gibbons P.C.
One Pennsylvania Plaza, 37th Floor
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Accepted by FINRA:

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

9/12/16
Date

Richard Chin
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