

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015046958301**

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

RE: Jeremy Travis Monte, Respondent
CRD No. 4601512

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 Jeremy Travis Monte started his career in the securities industry in 2002. In August 2009, Monte joined American Portfolios Financial Services, Inc. (the "Firm") until he was permitted to resign on September 11, 2015. On September 14, 2015, the Firm filed a Form U5 terminating Monte's employment. While in the securities industry Monte held Series 7, Series 24 and Series 66 licenses. Monte is not currently associated with a member firm, but FINRA retains jurisdiction over him pursuant to Article V, Section 4(a) of FINRA's By-Laws.

OVERVIEW

Monte failed to provide prior written notice to his Firm before participating in outside business activities ("OBAs"), in violation of FINRA Rules 3270 and 2010. In addition, between April 2014 and May 2015, Monte participated in a series of private securities transactions relating to his OBA without providing prior written notice to his Firm, in violation of NASD Rule 3040 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

In March 2014, Monte incorporated Montbriar, Inc. ("Montbriar I") – a private company he owned jointly with his wife – and became the company's president and treasurer. Montbriar I serves as a holding company for several non-securities-related subsidiaries that Monte previously disclosed to the Firm as OBAs. Monte did not separately disclose Montbriar I to the Firm as an OBA until June 2014, and even then he did not disclose his officer positions with the company. Based on the information Monte disclosed to it, the Firm approved Montbriar I as an OBA.

In April 2014, Monte began soliciting and receiving funds from investors in connection with a private offering of Montbriar I equity securities, and on September 19, 2014, he filed a related Form D notice with the Securities and Exchange Commission. Monte did not provide prior written notice to the Firm of this private offering, which raised over \$600,000 from 18 individuals, three of whom were customers of the Firm. In addition, on his May 2014 and July 2015 annual compliance questionnaires, Monte falsely denied having engaged in private securities transactions.

In February 2015, Monte acquired control of an unrelated blank-check public company – which he renamed Montbriar, Inc. ("Montbriar II") – and became that company's sole director, chief executive officer, secretary, and chief financial officer. According to Montbriar II's SEC filings, the company anticipates that it will eventually combine with Montbriar I. Monte did not disclose Montbriar II to the Firm as an OBA or otherwise disclose his director and officer positions with Montbriar II.

FINRA Rule 3270 prohibits a registered representative from engaging in an OBA "unless he . . . has provided prior written notice to the member, in such form as specified by the member." By failing to timely disclose Montbriar I to the Firm as an OBA, by failing to disclose his officer positions with Montbriar I, and by failing to disclose his director and officer positions with Montbriar II, Monte violated FINRA Rules 3270 and 2010.

During the relevant period, NASD Rule 3040 prohibited any person associated with a member firm from "participat[ing] in any manner in a private securities transaction," unless, prior to participating in the transaction, the associated person provided "written notice to the member with which he is associated describing in detail the proposed transaction and the person's proposed role therein and stating whether he has received or may receive selling compensation in connection with the transaction."¹ Here, Monte participated in a private offering of Montbriar I equity securities that raised over \$600,000 from 18 investors, including three

¹ NASD Rule 3040 was superseded by substantively similar FINRA Rule 3280 effective September 21, 2015 (after the relevant conduct described herein).

customers of the Firm. By failing to provide prior written notice to his firm before participating in this offering, Monte violated NASD Rule 3040 and FINRA Rule 2010.

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

- a seven-month suspension from associating with a FINRA member firm in any capacity; and
- a \$10,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm following the seven-month 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.

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

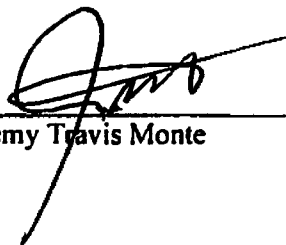
party.

- 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.

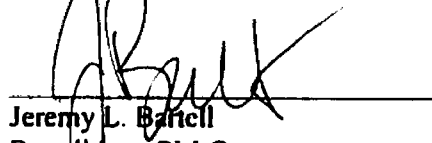
9/16/14

Date (mm/dd/yyyy)



Jeremy Travis Monte

Reviewed by:

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

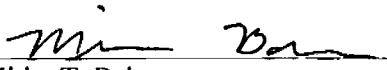
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(202) 430-1040

Counsel for Respondent

Accepted by FINRA:

9/6/16
Date

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


Mitka T. Baker
Principal Counsel
FINRA Department of Enforcement
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