

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20160476246 03**

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

RE: G.C. Andersen Partners Capital, LLC
BD No. 44631

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, G.C. Andersen Partners Capital, LLC ("Respondent," "GC Andersen," or the "Firm") submits 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 the Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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

GC Andersen has been a member of FINRA since 1998. The Firm employs approximately 10 registered individuals, and maintains four offices with its main office in New York, New York. The Firm provides M&A advisory, restructuring, and capital raising advisory services.

RELEVANT DISCIPLINARY HISTORY

GC Andersen has no relevant disciplinary history with the Securities and Exchange Commission, any state securities regulator, FINRA, or any other self-regulatory organization.

OVERVIEW

From March 2014 through August 2017 (the "Relevant Period"), GC Andersen associated with JM, an individual the Firm knew to be statutorily disqualified, in violation of FINRA By-Laws Article III, Section 3(b) and FINRA Rules 8311 (for

the period from August 24, 2015 to August 2017) and 2010. Also, during the Relevant Period, GC Andersen permitted JM to engage in activities requiring registration, including investment banking activities in connection with several Firm private placements, even though he was not registered with FINRA in any capacity, in violation of NASD Membership and Registration Rules 1031 and 1032 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

In March 2014, JM began providing work for the Firm in connection with various Firm private placements. The Firm knew that JM was statutorily disqualified due to a felony conviction in 2009. Nevertheless, JM participated in the Firm's investment banking business until the Firm terminated its relationship with JM in August 2017.

Association with a Statutorily Disqualified Individual

Article III, Section 3(b) of FINRA's By-Laws prohibits member firms from associating with an individual in any capacity if that individual has been statutorily disqualified. FINRA Rule 8311, effective August 24, 2015, likewise provides that "a member shall not allow [a disqualified] person to be associated with it in any capacity that is inconsistent with the sanction imposed or disqualified status, including a clerical or ministerial capacity."

Under FINRA's By-Laws, a "person is subject to a 'disqualification' with respect to membership, or association with a member, if such person is subject to any 'statutory disqualification' as such term is defined in Section 3(a)(39) of the [Exchange] Act."¹ Among the statutorily disqualifying events in Section 3(a)(39) of the Exchange Act is any felony conviction in the prior ten years. In 2009, JM pleaded guilty to felony conspiracy. Thus, during the Relevant Period, JM was statutorily disqualified. A FINRA member may not associate with a disqualified person in any capacity unless and until approved in an eligibility proceeding triggered by the member's submission of an MC-400 Application

The FINRA By-Laws, at Article I, Section 1, define "[p]erson associated with a member" to include "a natural person engaged in the investment banking or securities business who is directly or indirectly controlling or controlled by a member...." The By-Laws define "investment banking or securities business," in relevant part, as "purchasing securities and offering the same for sale as a dealer."

JM participated in GC Andersen's investment banking business by advising on investment banking transactions, creating marketing materials, contacting potential investors, revising and distributing transaction documents, and conducting due diligence on target companies. Additionally, JM was controlled by the Firm as the Firm and its registered persons: provided JM with work

¹ FINRA By-Laws Article III, Section 4.

facilities; assigned tasks to JM and instructed him regarding when and how to complete those tasks; and edited his work product, some of which appeared on Firm-branded documents.

By virtue of the foregoing, GC Andersen violated FINRA By-Laws Article III, Section 3(b) and FINRA Rules 8311 (for the period from August 24, 2015 to August 2017) and 2010.

Registration Violation

NASD Membership and Registration Rule 1031 requires that all persons engaged in the investment banking or securities business of a member who are to function as representatives be registered. Rule 1032 further requires that persons who, among other things, advise on or facilitate debt or equity securities offerings through a private placement, or advise on or facilitate mergers and acquisition transactions, pass the Series 79 qualification examination and register as Investment Banking Representatives, or alternatively that persons whose activities in the investment banking and securities business involve effecting sales as part of a primary offering of securities not involving a public offering, pass the Series 82 qualification examination and register as Private Securities Offering Representatives.

During the Relevant Period, GC Andersen retained and compensated JM to advise on investment banking transactions, and in that capacity JM performed functions requiring registration including creating and editing Firm marketing documents, contacting potential investors, and conducting due diligence. During the Relevant Period, JM was not registered as a Series 7, 79, or 82.

By virtue of the foregoing, GC Andersen violated NASD Membership and Registration Rules 1031(a) and 1032 and FINRA Rule 2010.

B. Respondent consents to the imposition of the following sanction:

- a censure; and
- a \$50,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against it;
- 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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives 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

Respondent understands 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 Respondent; and
- C. If accepted:

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;
 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. Respondent 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. Respondent 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 Respondent's: (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. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it 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.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that the Firm has 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 the Firm to submit it.

Date

6/11/18

G.C. Andersen Partners Capital, LLC

By:

(Signature)

Name:

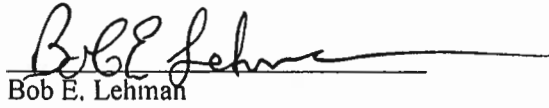
G. CHRIS ANDERSEN

(Print Name)

Title:

PARTNER

Reviewed by:

A handwritten signature in black ink, appearing to read "Bob E. Lehman", is written over a horizontal line.

Bob E. Lehman

Counsel for Respondent

Partner

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50 Charles Lindbergh Blvd.

Uniondale, New York 11553

(516) 222-0888

Accepted by FINRA:

June 28 2018
Date

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



Kevin Hartzell
Principal Counsel
FINRA Department of Enforcement
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