

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016048923201**

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

RE: Jarred M. Lawson, Respondent
General Securities Representative
CRD No. 6093454

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Jarred M. Lawson, 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

Lawson entered the securities industry in August 2012, as a General Securities Representative of a member of FINRA. Lawson, during all periods mentioned herein, was associated with Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch" or the "Firm") and was registered with FINRA under Article V of the By-Laws as a General Securities Representative. Lawson's employment with Merrill Lynch was terminated on January 20, 2016. Although Lawson is not currently associated with a FINRA member firm or registered with FINRA, he is subject to the jurisdiction of FINRA, pursuant to Article V, Section 4 of FINRA's By-Laws, which provides for a two-year period of retained jurisdiction over formerly registered persons. Lawson has no prior disciplinary history.

OVERVIEW

Lawson made negligent misrepresentations or omissions during telephone calls with customers regarding the sale of mutual funds, in violation of FINRA Rule 2010. In addition, Lawson made misstatements in the Firm's internal system

regarding what was discussed during the phone calls causing his Firm to have inaccurate books and records, in violation of FINRA Rules 4511 and 2010.

FACTS AND VIOLATIVE CONDUCT

Negligent Omissions and Misrepresentations

From September 2015 through December 2015, Lawson made negligent misrepresentations or omissions regarding the sale of primarily Class A and C mutual funds during telephone conversations with ten Firm customers. Specifically, Lawson failed to discuss all share classes, fees associated with Class A and C shares, and breakpoint fees with the customers. In addition, Lawson made negligent misrepresentations regarding the fees associated with a managed account. By providing inaccurate and incomplete information, Lawson prevented his customers from fully evaluating the investments that he recommended.

As a result of the foregoing conduct, Lawson violated FINRA Rule 2010.

Inaccurate Books and Records

FINRA Rule 4511 requires, *inter alia*, that "(a) Members shall make and preserve books and records as required under the FINRA rules, the Exchange Act and the applicable Exchange Act rules." An individual may violate FINRA Rule 4511 by causing his or her Member Firm to maintain inaccurate books and records. A violation of FINRA Rule 4511 is also a violation of FINRA Rule 2010, which requires registered persons to adhere to just and equitable principles of trade.

In connection with the above telephone calls, Lawson made inaccurate entries in the Firm's internal tracking system. Specifically, in nine instances, Lawson misstated that he had discussed all share classes and the fees associated with the share classes, when he had not. In seven instances, Lawson also misrepresented the fees associated with a managed account. In some instances, Lawson represented that he had discussed breakpoints or the availability of other investments, when he had not.

The Firm used the internal tracking system to review the transactions for suitability and to help ensure that appropriate disclosures had been made prior to supervisory approval of the transactions. Lawson's inaccurate entries prevented the Firm from properly supervising his transactions.

As a result of the misleading internal notes, Lawson impeded supervision of the transactions and caused his Firm to have inaccurate books and records, in violation of FINRA Rules 4511 and 2010.

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

- a one year suspension from association with any FINRA member in all capacities; and
- a \$10,000 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 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).

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.

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

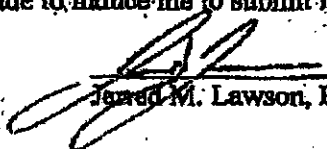
I understand that:

- 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 8113; 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 understand and acknowledge that FINRA does not represent or advise me and I cannot rely on FINRA or FINRA staff members for legal advice; 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.

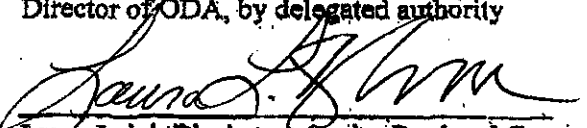
3/2/17
Date (mm/dd/yyyy)


Jared M. Lawson, Respondent

Accepted by FINRA:

March 27, 2017
Date

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


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