

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016049785701**

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

RE: George Lemuel Divel III (CRD No. 3102446),
Respondent

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, George Lemuel Divel III ("Divel" or "Respondent"), 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

Divel first entered the securities industry in 1998. Most recently, he was registered with FINRA as a General Securities Representative from February 2008 to October 2016 through an association with Capitol Securities Management, Inc. (BD No. 14169).

Divel has not since been registered or associated with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

In July 2015, for his willful failure to disclose a civil judgment on his Form U4, FINRA suspended Divel in all capacities for three months and fined him \$5,000. Then, in August 2015, in light of his failure to disclose that civil judgment and two additional matters, Divel entered into a Consent Order with the Maryland Securities Commissioner pursuant to which he was suspended in all capacities for four months and fined \$5,000. The Maryland suspension ran concurrently with

the FINRA suspension, and Maryland waived collection of its fine in light of the identical fine imposed by FINRA.

In 2007 and 2008, Divel was disciplined by state securities regulators in Maryland and Connecticut for engaging in unauthorized securities transactions in the trust accounts of two elderly clients. Maryland suspended Divel for 90 days and fined him \$50,000, while Connecticut barred Divel with the right to reapply for registration after seven years.

OVERVIEW

Divel violated FINRA Rules 4511 and 2010 when he submitted to his firm as original documents photocopied forms previously signed by his customers, which included altered signature dates and account numbers.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 4511 requires member firms to make and preserve books and records as required under FINRA rules, the Securities Exchange Act of 1934 and the applicable Exchange Act rules. FINRA Rule 2010 requires associated persons to observe high standards of commercial honor and just and equitable principles of trade. Falsification of a firm's books and records, such as affixing a non-genuine signature to a firm document, violates FINRA Rules 4511 and 2010.

In 2015 and 2016, Divel photocopied forms previously signed by four customers, altered certain information on the forms, such as the signature dates and account numbers, and then submitted the altered forms to the firm as originals. The falsified forms included ACH authorization agreements and joint transfer on death account agreements. Divel created and submitted these falsified documents for the convenience of the customers, who authorized the underlying transactions and consented to Divel's re-use of their signatures.

By this conduct, Divel violated FINRA Rules 4511 and 2010.

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

- a suspension of four months from associating with any FINRA member firm in any capacity; and
- a \$5,000 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 specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

I understand that if I am 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 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; and
- 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.

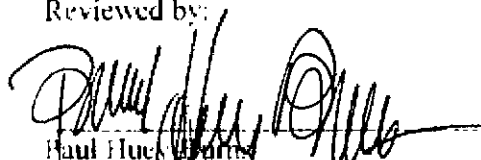
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I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any 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.

03 / 14 / 2017
Date (mm/dd/yyyy)


George Leonard Divil III (CRD No. 3102446),
Respondent

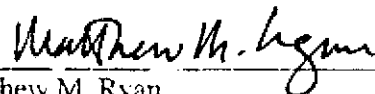
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Accepted by FINRA:

March 29, 2017
Date

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


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