

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016051250001**

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

**RE: Eli Lazarowitz, Respondent
Associated Person
CRD No. 2280539**

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 entered the securities industry in July 1992 as an associated person of a FINRA-regulated broker dealer, and remained there until May 1993. Since that time, Respondent has been associated and/or registered with six other FINRA-regulated broker dealers. From February 2015 through August 2016, Respondent was an associated person of Goldman Sachs & Co. (the "Firm"), where he worked on client information reporting initiatives within the Firm's Securities Division and had access to securities clients' information.

Lazarowitz obtained his Series 7 (General Securities Representative) and Series 63 (Uniform Securities Agent State Law) securities licenses in August 1998 but did not maintain these licenses over time.

On August 26, 2016, the Firm filed a Form NRF Amendment reporting Respondent's August 7, 2016 termination. No reason for the termination was provided.

Lazarowitz is not presently associated with a FINRA member, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of the FINRA By-Laws.

RELEVANT DISCIPLINARY HISTORY

Lazarowitz has no prior disciplinary history in the securities industry.

OVERVIEW

Upon beginning his employment with the Firm in February 2015, Lazarowitz failed to disclose the existence of an outside brokerage account he held at another FINRA-regulated broker dealer. Lazarowitz also failed to notify the FINRA member where the outside brokerage account was held that he had become associated with the Firm. By the foregoing, Lazarowitz violated NASD Rule 3050 and FINRA Rule 2010.

Lazarowitz attested in the Firm's 2016 Annual Certification he completed in May 2016 that he did not have any outside brokerage accounts requiring disclosure, which was not true. By the foregoing, Lazarowitz violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Failure to Disclose Outside Brokerage Account

NASD Rule 3050(c) provides that "[a] person associated with a member, prior to opening an account or placing an initial order for the purchase or sale of securities with another member, shall notify both the employer member and the executing member, in writing, of his or her association with the other member." NASD Rule 3050 further states that if the account was established prior to the association of the person with the employer member, the associated person shall notify both members in writing promptly after becoming so associated. Paragraph (e) of Rule 3050 specifies that the requirements of paragraph (c) apply to accounts in which the associated person has either a financial interest or discretionary trading authority.

FINRA Rule 2010 requires members and associated persons to "observe high standards of commercial honor and just and equitable principles of trade." Failure to comply with NASD Rule 3050 also violates FINRA Rule 2010.

Respondent joined Goldman Sachs & Co. in February 2015 as a non-registered associated person of its Securities Division. At the time he joined the Firm and since June 2006, Respondent has been one of two named trustees on a brokerage trust account (the "Trust Account") held at another FINRA-regulated broker dealer. Respondent is also a beneficiary of the Trust Account and has been authorized to trade the account since its inception. During some or all of the period of his association with the Firm, Respondent caused trades to be effected in the Trust Account. The Trust Account remained open during Respondent's tenure with the Firm. Respondent did not disclose the existence of the Trust Account to the Firm.

Respondent also failed to disclose to the FINRA-regulated broker-dealer where the Trust Account was held that he had become associated with the Firm in February 2015.

By the foregoing, Respondent violated NASD Rule 3050 and FINRA Rule 2010.

Misrepresentations to the Firm

FINRA Rule 2010 applies to any misconduct that reflects on an associated person's ability to comply with regulatory requirements necessary to the proper functioning of the securities industry and protection of the public, including misrepresentations to a member firm. False statements on firm compliance questionnaires are inconsistent with just and equitable principles of trade.

In May 2016, Respondent submitted to the Firm his 2016 Annual Certification (the "2016 Certification"). In relevant part, the directions of the 2016 Certification stated, "[t]he Firm's records indicate that you do not have any brokerage or managed accounts held outside of GS. If you or a related person has one or more brokerage or managed accounts held outside the Firm, please click Add Account." Instead of listing the Trust Account, Lazarowitz checked a box and electronically certified, "I have no brokerage or managed accounts held outside the Firm to disclose for myself or any related person." This certification was not true.

By the foregoing, Respondent violated FINRA Rule 2010.

- B. I also consent to the imposition of the following sanctions:
- a. a forty five calendar day suspension from association with any FINRA member broker-dealer in any capacity; and
 - b. a \$5,000 fine.

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 agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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.

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 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

10-31-2017
Date (mm/dd/yyyy)

Eli Lazarowitz
Eli Lazarowitz
Respondent

Reviewed by:

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Accepted by FINRA:

12/5/17
Date

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

Richard Chin
Richard Chin
Chief Counsel
FINRA Department of Enforcement
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