

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20120315641-02**

TO: Office of Fraud Detection and Market Intelligence
Financial Industry Regulatory Authority ("FINRA")

RE: Jeffrey D. Griffin Jr., Respondent
CRD No. 3232749

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Jeffrey D. Griffin Jr. ("Griffin" 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

Griffin was first associated with a FINRA member firm in May 2000. He was registered with his most recent employer firm from November 11, 2003 through December 23, 2010, and then from September 7, 2011 through February 27, 2012, when the firm filed a Form U-5 terminating his registration. Griffin is not currently associated with a FINRA member firm but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws. Griffin has no disciplinary history.

FACTS AND VIOLATIVE CONDUCT

**Fraudulent Conversion of Customer Funds and Failure to Disclose
Participation in Private Securities Transactions**

1. Griffin formed a limited liability company, Tricep Trading, in July 2010, while he was registered with his most recent employer firm. He was its sole member and manager, and he opened a bank account in its name. Griffin did not disclose his involvement with Tricep Trading to his firm. Griffin formed Tricep Trading as a vehicle for soliciting potential investors to give him money that he would use to day trade exchange traded funds ("ETFs").

2. Subsequently, Griffin induced two individuals, PJ and her son CA, to deliver checks to him, one for \$120,000 on October 10, 2010 and one for \$204,000 on December 10, 2010, based on his representations that he was an experienced Wall Street trader and that he would use the funds to trade securities at Tricep Trading, which he represented was part of his employing FINRA firm. PJ did not speak English, and CA was an unemployed recent college graduate with no investment experience. Contrary to his representations, Griffin had no experience as a trader and Tricep Trading was not part of his employing FINRA firm. Likewise, Griffin only placed \$100,000 in Tricep Trading's account, which he lost day trading ETFs, while he converted and spent the remainder (minus \$22,000 that he returned to PJ and CA as "distributions" from Tricep Trading) on personal expenses. Those expenses included trips to Atlantic City, toys, tanning salons, clothing, gas, restaurants, and several dozen large cash withdrawals. The use of PJ and CA's funds for personal expenses was contrary to Griffin's representation that their funds would be used to purchase and sell securities through Tricep Trading. Griffin communicated with PJ and CA using the telephone in furtherance of his fraudulent scheme.
3. By reason of the conduct described in paragraphs 1 and 2, Griffin, in connection with the purchase or sale of a security, directly or indirectly, by use of means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange, knowingly or recklessly, employed a device, scheme or artifice to defraud; made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading; and engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit upon any person, in willful violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, and in violation of FINRA Rules 2010 and 2020.
4. In addition, Griffin's improper use and conversion of PJ and CA's funds constitutes violations of FINRA Rules 2150 and 2010.
5. Moreover, Griffin's failure to provide written notice to his firm of his activity with Tricep Trading constitutes violations of NASD Rule 3030 (for conduct prior to December 15, 2010), FINRA Rule 3270 (for conduct on or after December 15, 2010), and FINRA Rule 2010.

Failure to Respond to Requests for Documents in a Timely Manner

6. In furtherance of its investigation into this matter, on March 29, 2012, Office of Fraud Detection and Market Intelligence ("OFDMI") staff sent requests for information and documents to Griffin pursuant to FINRA Rule 8210, with a response date of April 13, 2012. On April 11, 2012, Griffin contacted OFDMI staff to request an extension, which was granted to April 25, 2012. On April 27, 2012, OFDMI staff received Griffin's responses. The responses were incomplete,

however, as Griffin did not provide two categories of requested documents: a list of all bank and brokerage accounts owned or controlled by Griffin and Tricep Trading, and account statements, wire authorizations, and all other documents authorizing and confirming the movement of funds in all such bank and brokerage accounts. On May 16, 2012, OFDMI staff sent Griffin a follow-up request that Griffin produce all documents responsive to the original Rule 8210 requests. OFDMI staff also sent Griffin an e-mail on June 1, 2012 requesting a response to the May 16, 2012 letter and the original Rule 8210 requests.

7. When no response was received, the Department of Market Regulation sent a Notice of Suspension to Griffin pursuant to FINRA Rule 9552(a). Griffin subsequently requested a hearing pursuant to FINRA Rule 9552(e). Griffin produced responsive documents on or about November 7, 2012, after two pre-hearing conferences were held as part of the Rule 9552 proceeding, and nearly seven months after the original due date.
8. Griffin's failure to respond to the Rule 8210 requests in a timely manner, as described in paragraphs 6 and 7, constitutes violations of FINRA Rules 8210 and 2010.

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

A bar in all capacities from associating with any FINRA member.

I understand that this settlement includes a finding that I willfully violated Sections 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. Pursuant to Article III, Section 4 of FINRA's By-Laws, this makes me subject to a statutory disqualification with respect to association with a member.

I understand that if I am barred from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar shall become effective upon approval or acceptance of this AWC.

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 General Counsel, 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:

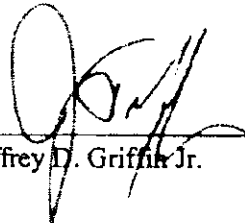
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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 response to public inquiries about my disciplinary record;
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.

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.

7/8/13
Date


Jeffrey D. Griffin Jr.

Reviewed by:



Counsel for Jeffrey D. Griffin Jr.
Edward J. Dimon, Esq.
Carluccio, Leone, Dimon, Doyle & Sacks, L.L.C.
9 Robbins Street
Toms River, NJ 08753

Accepted by FINRA:

8/6/13
Date

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


Cameron K. Funkhouser
Executive Vice President
Office of Fraud Detection and
Market Intelligence