

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2015046842401**

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

RE: Joseph C. Noyes IV  
General Securities Representative  
CRD No. 2596087

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Joseph C. Noyes IV 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 Noyes 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**

Noyes first became registered with FINRA as a General Securities Representative in 1995. He was registered in that capacity through Santander Securities LLC (BD No. 41791) from January 2013 through March 2014. Noyes is currently registered as a General Securities Representative through another FINRA member firm.

**RELEVANT DISCIPLINARY HISTORY**

Noyes does not have any prior disciplinary history with the Securities and Exchange Commission, any self-regulatory organization, or any state securities regulator.

**OVERVIEW**

Between November 2013 and January 2014 (the "Relevant Period"), Noyes violated FINRA Rules 4511 and 2010 by filing two applications for variable

annuities that misstated the source of funds used to purchase the annuities and thereby concealed that the transactions were annuity exchanges. In addition, Noyes violated FINRA Rules 2111, 2330 and 2010 because he did not have a reasonable basis for recommending one of the annuity exchanges.

### **FACTS AND VIOLATIVE CONDUCT**

#### **1. Falsification of Records**

FINRA Rule 4511 requires members and associated persons to make and preserve books, accounts, records, memoranda, and correspondence in conformity with all applicable laws, rules, and regulations. The submission of false information on variable annuity applications violates FINRA Rules 4511 and 2010.

During the Relevant Period, Santander's written supervisory procedures required registered representatives who recommended variable annuities to complete a disclosure form stating, among other things, the reasons for purchasing the annuity and the source of funds to be used to purchase the annuity. Noyes completed applications for variable annuities for two customers, LV and RS, that incorrectly stated that the source of funds to be used to purchase the annuities was LV's and RS' brokerage accounts when, in fact, the customers liquidated existing annuities to fund the purchases. By reason of the foregoing, Noyes violated FINRA Rules 4511 and 2010.

#### **2. Unsuitable Annuity Exchange**

FINRA Rules 2111 and 2330 require registered representatives to have a reasonable basis to believe that a recommended annuity purchase or exchange is suitable in light of the customer's age, financial situation and needs, risk tolerance, and investment objectives.

In November 2013, Noyes recommended an unsuitable annuity exchange to customer RS. Noyes recommended that RS sell his existing annuity, which paid a five percent return, and purchase a new annuity, which paid a six percent return in certain circumstances. However, if RS made withdrawals from the new annuity in the first twelve months after purchasing it—as he was certain to do given that he relied on income from the annuity to pay his monthly expenses—the new annuity only provided a three-and-half-percent return. In addition, RS paid \$7,645.86 in commissions in connection with the new annuity. The annuity therefore provided no economic benefit to RS.

By reason of the foregoing, Noyes did not have a reasonable basis for recommending the annuity exchange and, therefore, violated FINRA Rules 2111, 2330 and 2010.

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

- a three-month suspension from associating with any FINRA member in any capacity;
- a fine of \$5,000; and
- disgorgement of commissions received, which is ordered to be paid to FINRA in the amount of \$1,508.08, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621, from November 7, 2013 until the date this AWC is accepted by the National Adjudicatory Council (“NAC”).

I agree to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments 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 sanctions imposed in this matter.

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).

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 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 prejudice 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;
- 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 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.

12/27/16  
Date

Joseph C. Noyes IV  
Joseph C. Noyes IV, Respondent

Accepted by FINRA:

120 2017  
Date

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

Jeff Fauci  
Jeff Fauci, Principal Regional Counsel  
FINRA Department of Enforcement  
99 High Street, Suite 900  
Boston, MA 02110  
Tel: (617) 532-3428