

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2021071954502**

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

RE: Jeremy Jefferson Jacobson
Former General Securities Representative and General Securities Sales Supervisor
CRD No. 4437801

Pursuant to FINRA Rule 9216, Respondent Jeremy Jefferson Jacobson (Jacobson) 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 Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Jacobson entered the securities industry in July 2001 and, through May 2013, was associated with three FINRA member firms. At various times during that period, Jacobson was registered with FINRA as a General Securities Representative (GSR), Investment Banking Representative (IB), and General Securities Sales Supervisor (SU). In May 2013, Jacobson became registered with FINRA as a GSR and SU through an association with LPL Financial LLC (LPL), a FINRA member firm.

In a Uniform Termination Notice for Securities Industry Registration (Form U5) dated July 2, 2021, LPL reported that Jacobson had voluntarily terminated his association with the firm. In an amended Form U5 dated July 6, 2021, LPL disclosed that Jacobson had been under internal review for a “commission sharing relationship with formerly registered individual” at the time of his voluntary termination.

Although Jacobson is not currently associated with any FINRA member firm, he remains subject to FINRA’s jurisdiction pursuant to Article V, Section 4 of FINRA’s By-Laws.¹

¹ For more information about the respondent, visit BrokerCheck® at www.finra.org/brokercheck.

OVERVIEW

During the period of February 2021 through May 2021, Respondent executed twenty-four trades in three of his LPL customers' non-discretionary brokerage accounts without the customers' authorization or consent for the trades. By engaging in this conduct, Respondent violated FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from an amended Form U5 by LPL dated July 6, 2021.

FINRA Rule 2010 requires an associated person, in the conduct of his or her business, to "observe high standards of commercial honor and just and equitable principles of trade." Unauthorized trading, which occurs when a registered representative effects trades in a customer's non-discretionary account without first obtaining the customer's authorization or consent, violates FINRA Rule 2010.

During the relevant period, LPL maintained written supervisory procedures that required registered representatives to obtain customer authorization to execute trades at the time the registered representative entered the trades and prohibited registered representatives from exercising discretion over any trades in any customer brokerage accounts.

From February through May 2021, Jacobson executed twenty-four trades with a total principal value of approximately \$1.1 million in the accounts of LPL customers A, B, and C, without first discussing with, and obtaining authorization or consent for the trades from, the customers.

In February 2021, Jacobson executed two trades in customer A's LPL account with a total principal value of approximately \$85,700. In February 2021 through May 2021, Jacobson executed twenty trades in customer B's account with a total principal value of approximately \$1.08 million. In April 2021, Jacobson executed two trades in customer C's LPL account with a total principal value of approximately \$6,500. Jacobson received \$7,887 in total commissions for the twenty-four trades. Jacobson did not have authorization or consent from the customers to place the twenty-four trades.

Therefore, Jacobson violated FINRA Rule 2010.

- B. Respondent also consents to the imposition of the following sanctions:
- a three-month suspension from associating with any FINRA member in all capacities;
 - a \$5,000 fine; and
 - disgorgement of \$7,887 plus interest as described below.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes 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, he 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 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.

Disgorgement of commissions received is ordered to be paid to FINRA in the amount of \$7,887 plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. § 6621(a)(2), from February 5, 2021 until the date this AWC is accepted by the National Adjudicatory Council (NAC). Disgorgement 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.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanctions imposed in this matter.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against him;
- 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, Respondent specifically and voluntarily waives 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 its acceptance or rejection.

Respondent further specifically and voluntarily waives 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

Respondent understands 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 - 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 its subject matter in accordance with FINRA Rule 8313; and
 - 4. Respondent 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. Respondent 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent understands and acknowledges that FINRA does not represent or advise him and Respondent cannot rely on FINRA for legal advice. Respondent has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

May 31, 2023

Date

Jeremy Jefferson Jacobson

Jeremy Jefferson Jacobson
Respondent

Accepted by FINRA:

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

June 6, 2023

Date

Christopher Miles

Christopher Miles
Counsel
FINRA
Department of Enforcement
200 Liberty Street, Fl. 11
New York, NY 10821