

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2023077754402**

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

RE: Colton W. Jacob (Respondent)
Former General Securities Representative
CRD No. 6602283

Pursuant to FINRA Rule 9216, Respondent Colton Wade Jacob 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

Jacob first registered with FINRA as a General Securities Representative (GS) in April 2016 through an association with a member firm. From October 2020 to May 2022, Jacob was registered as a GS through Raymond James Financial Services, Inc. (CRD No. 6694). From May 2022 through January 2023, he was registered as a GS through Steward Partners Investments Solutions, LLC (CRD No. 1254). On January 27, 2023, Steward Partners filed a Uniform Termination Notice for Securities Industry Registration (Form U5) stating that it had discharged Jacob because he “violated Firm policies regarding outside business activities.”

Although Jacob is not currently associated with a member firm, he remains subject to FINRA’s jurisdiction under Article V, Section 4(a) of FINRA’s By-Laws.

On September 30, 2024, FINRA suspended Jacob for failing to comply with an arbitration award or settlement agreement or to satisfactorily respond to a FINRA request to provide information concerning the status of compliance.¹

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

OVERVIEW

From February 2022 to December 2022, Jacob participated in an outside business activity (OBA) without providing prior written notice to Raymond James or Steward Partners, in violation of FINRA Rules 3270 and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from the Form U5 that Steward Partners filed.

FINRA Rule 3270 provides, in relevant part:

No registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated, or have the reasonable expectation of compensation, from any other person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to the member, in such form as specified by the member.

A violation of FINRA Rule 3270 is also a violation of FINRA Rule 2010, which requires that members and their associated persons “observe high standards of commercial honor and just and equitable principles of trade” in the conduct of their business.

From February 2022 to December 2022, Jacob engaged in an OBA by assisting with fundraising and strategic planning for two related companies. Among other things, Jacob either contacted or met with multiple individuals, including at least one Steward Partners customer, to provide information about the companies and their business. For his OBA, Jacob communicated using an email address provided by the companies’ founder, which included a signature block identifying Jacob as an executive affiliated with one of the companies, in addition to using a personal email address. In anticipation of receiving compensation for his OBA, Jacob discussed an equity stake in one of the companies and agreed to be enrolled in payroll software.

Notwithstanding that both Raymond James and Steward Partners required prior written disclosure and approval of OBAs, Jacob did not provide such written notice to, or receive prior approval from, Raymond James or Steward Partners for his OBA.

Therefore, Jacob violated FINRA Rules 3270 and 2010.

- B. Respondent also consents to the imposition of the following sanctions:
- a 45-calendar-day suspension from associating with any FINRA member in all capacities 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.

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 sanction imposed in this matter.

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 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 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.

October 8, 2024

Date

Colton Wade Jacob

Colton W. Jacob
Respondent

Reviewed by:



Robert Linkin
Counsel for Respondent
Munck, Wilson Mandala
807 Las Cimas Pkwy, Building II
Suite 300
Austin, TX 78746

Accepted by FINRA:

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

October 21, 2024

Date

Sanhita Sen

Sanhita Sen
Counsel
FINRA
Department of Enforcement
Brookfield Place
200 Liberty Street
New York, NY 10281