

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013037390601**

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

**RE: Jason Daniel Sayles, Respondent
Former Registered Representative
CRD No. 4140191**

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

Jason Sayles ("Sayles") was first associated with a FINRA member firm in May 1999. From December 2007 through June 2013, Sayles was registered with Genworth Financial Securities Corporation LLC ("Genworth") and Cetera Financial Specialists LLC ("Cetera") as an Investment Company and Variable Contracts Products Representative (Series 6).¹ He resigned from Cetera on June 14, 2013, while the firm was conducting an inquiry regarding his activities relating to self-directed individual retirement accounts ("IRAs") held away from the firm. Sayles was registered with NFP Securities, Inc. ("NFP") from June 2013 through February 2014. NFP permitted him to resign on February 4, 2014, citing a "business decision to discontinue association based on activities conducted by representative outside broker-dealer." Sayles has not been registered or associated with a FINRA member firm since that time. Although Sayles is no longer associated with a FINRA member firm, FINRA retains jurisdiction over him pursuant to Article V, Section 4, of FINRA's By-Laws.

¹ Cetera acquired Genworth, effective November 1, 2012. Sayles initially associated with Genworth and remained with the firm through the acquisition by Cetera.

OVERVIEW

While he was registered with Genworth and Cetera, Sayles was employed by a certified public accounting ("CPA") firm ("H & H"). From at least June 2010 through June 2013, Sayles assisted customers of the CPA firm open and administer self-directed IRAs away from the firms and by facilitating customers' investments in those accounts, some of which included securities. Prior to December 2011, Sayles did not disclose his involvement with the CPA firm to Genworth/Cetera in writing, including his work with self-directed IRAs. From January 2012 through June 2013, Sayles' work with self-directed IRAs exceeded the approval given to him by Genworth/Cetera to participate in the CPA firm. By virtue of this conduct, Sayles violated NASD Rules 3030,² 3040, and 2110,³ and FINRA Rules 3270 and 2010.

Additionally, from April 2012 through February 2014, while he was registered with Genworth and Cetera, and continuing through his registration with NFP, Sayles engaged in two undisclosed OBAs, in violation of FINRA Rules 3270 and 2010.

FACTS AND VIOLATIVE CONDUCT

1. Outside Business Activities

a. CPA Business

In December 2007, Sayles was hired as an employee of H & H as the CPA firm's Director of Operations. He also became registered with Genworth at that time. Though he was required to notify Genworth of his involvement with H & H in writing, in accordance with the firm's procedures, he failed to do so for four years, until December 2011, when he updated his OBA form to include H & H. The firm approved Sayles' involvement with H & H in January 2012.

When Sayles disclosed his involvement in H & H in December 2011, he described the business as, "CPA - Tax planning and preparation" and his duties as "Office manager." As a practical matter, however, Sayles, who was not an accountant, served as assistant to the owner's husband, who was an accountant.

From at least June 2010 to June 2013, through H & H, Sayles assisted customers open and administer self-directed IRAs. Fifteen of the 27 H & H customers opening self-directed IRA accounts were also customers of Genworth/Cetera. Between August 2010 and March 2013, eight of the H & H Genworth/Cetera customers transferred a total of nearly \$1.8 million in cash and assets from their firm accounts to their self-directed IRA accounts. Many of the customers who

² NASD Rule 3030 was superseded by FINRA Rule 3270, effective December 15, 2010.

³ NASD Rule 2110 was superseded by FINRA Rule 2010, effective December 15, 2008.

opened self-directed IRAs held securities in their accounts. Additionally, Sayles continued to engage in this business for approximately three months after Cetera directed him to cease in March 2013.

Given the description of H & H's business, and his role in that business, that Sayles provided to Genworth in December 2011, Sayles exceeded the scope of the permission he was given to engage in the business of a CPA firm as an outside business activity.

b. Additional Undisclosed OBAs

From April 2012 through February 2015, Sayles was a 1% owner and manager with signing authority on behalf of one entity, and beginning in December 2012, he was also president of another. Sayles played an active role on their behalf. For example, Sayles signed a December 19, 2013 redemption agreement on behalf of the entity he managed.

Sayles was obligated to disclose his involvement with these entities to Genworth/Cetera in writing, in accordance with the firms' written supervisory procedures. He failed to do so. Nor did he properly disclose his involvement with them to NFP upon associating with that firm.

By virtue of the above, Sayles violated NASD Rules 3030 and 2110 for his conduct prior to December 15, 2008. He violated NASD Rule 3030 and FINRA Rule 2010 for his conduct on or after December 15, 2008 and prior to December 15, 2010. He violated FINRA Rules 3270 and 2010 for his conduct on or after December 15, 2010.

2. Private Securities Transactions

Between June 2010 and June 2013, Sayles participated in at least twelve private securities transactions effected in customers' self-directed IRAs totaling more than \$2.3 million. Sayles implemented and processed the paperwork for investment and tax planning strategies of H & H customers. In the case of customers who held self-directed IRA accounts, these strategies involved private securities transactions, including the purchase of shares in privately held corporations, private placements of membership units and other equity investments in, and/or promissory notes issued by nine companies.

Each of these transactions was done away from Genworth/Cetera. As such, Sayles was required to notify his firm in writing of his participation in them prior to participating in them. He failed to do so.

By virtue of the above, Sayles violated FINRA Rules 3040 and 2010.

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

1. A suspension in all capacities from association with a FINRA member firm for ten months; and
2. A fine of \$15,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the ten month suspension noted above, 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.

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.

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 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.

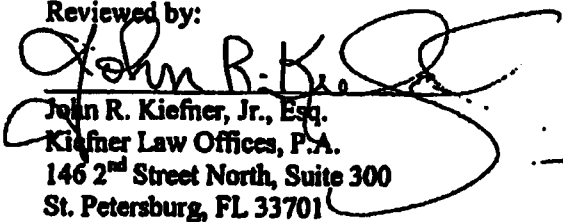
I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

01/21/2016

Date (mm/dd/yyyy)


Jason Daniel Sayles, Respondent

Reviewed by:

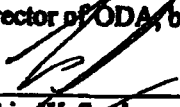

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Accepted by FINRA:

1/21/16

Date

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


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