

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2017054665401**

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

RE: Jess Elliott Roberts, Respondent
Investment Company Products/Variable Contracts Representative
CRD No. 6496087

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Jess Elliott Roberts, 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

Roberts first became registered with FINRA as an Investment Company Products/Variable Contracts Representative ("IR") through a member firm on June 23, 2015.

From October 12, 2015 through June 19, 2017, Roberts was registered with FINRA as an IR through member firm Foresters Financial Services, Inc. (BD No. 305) ("Foresters"). Since the termination of Roberts' registration through Foresters, he has not been registered through or associated with any FINRA member firms.

Roberts is subject to FINRA jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Roberts has no prior disciplinary with the Securities and Exchange Commission, any state securities regulator, FINRA or any other self-regulatory organization.

OVERVIEW

In October 2016, while registered with Foresters, Roberts sought and accepted a \$5,000 personal loan from an elderly customer without approval from Foresters. As a result, Roberts violated FINRA Rules 3240 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3240(a) states that a registered representative may not borrow funds from any customer unless his member firm has written procedures that allow for such transactions and the lending arrangement meets certain other conditions. FINRA Rule 3240(b) generally requires representatives to notify their member firms and obtain written pre-approval of their lending arrangements.

FINRA Rule 2010 requires that members and associated persons observe high standards of commercial honor and just and equitable principles of trade. Conduct that violates FINRA Rule 3240 also violates FINRA Rule 2010.

In October 2016, while registered through Foresters, Roberts solicited and accepted a \$5,000 loan from an elderly Foresters customer whose account Roberts serviced. Foresters' written supervisory procedures prohibited registered representatives from obtaining loans from customers, other than immediate family, and only after prior written approval from the firm. The customer was not a member of Roberts' immediate family, Roberts did not notify or seek prior approval from Foresters, and the firm did not approve the loan.

Roberts did not make any repayment on the loan. After the customer contacted Foresters in May 2017 and informed the firm about the existence of the loan, Foresters repaid the customer the \$5,000.

During the course of Foresters' May 2017 internal investigation into the loan, Roberts provided misleading information to Foresters staff about why the customer liquidated \$5,000 from a mutual fund position in October 2016 and withdrew those funds from his Foresters account. That withdrawal funded the customer's loan to Roberts, but Roberts told Foresters that the customer used the funds for family reasons. At the time that Roberts provided the misleading information, he did not know that Foresters was aware of the loan.

By reason of the foregoing, Roberts violated FINRA Rules 3240 and 2010.

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

- A suspension in all capacities for period of three months; and
- a fine of \$10,000.

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.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction 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 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:

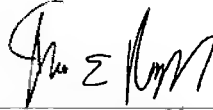
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; 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.

11/06/2017

Date (mm/dd/yyyy)



Respondent Jess Elliott Roberts

Reviewed by:



Scott Matasar
Matasar Jacobs
1111 Superior Avenue
Suite 1355
Cleveland, Ohio 44114
(216) 453-8181

Accepted by FINRA:

December 11, 2017

Date

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



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