

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013037488701**

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

RE: Roshan A. Loungani, Respondent
General Securities Representative
CRD No. 4256993

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Roshan Loungani ("Loungani" or "Respondent"), 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 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

In August 2000, Loungani first became registered with FINRA as a General Securities Representative. Since January 2008, he has been registered in this capacity through Arete Wealth Management, LLC (BD No. 44856).

RELEVANT DISCIPLINARY HISTORY

Loungani has no formal disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

FACTS AND VIOLATIVE CONDUCT

Between June 2009 and March 2012, Loungani recommended and effected unsuitable investments for two customers totaling approximately \$658,000 involving the purchase of limited partnership interests in two hedge funds that Loungani created and managed, which employed a high-risk trading strategy and use of aggressive options trading. These investments were not suitable for the

customers based on their investment objectives and risk tolerances and resulted in an unsuitable concentration of the customers' net worth. Based on the foregoing, Loungani violated NASD Conduct Rule 2310 and FINRA Rule 2010.

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

- A suspension from association with any FINRA member in all capacities for two months; and
- Restitution to the customer listed in Attachment A hereto in the total amount of \$69,901, 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 the date the AWC is accepted until the date the final payment is made.

Respondent has submitted a sworn financial statement and demonstrated a limited ability to pay a fine or full restitution immediately. In light of the financial status of respondent, the sanctions do not include a fine and the restitution of \$69,901, plus interest, shall be payable according to the schedule referenced in Attachment A, commencing with the first payment to be made on the 15th day of the month following notice that this AWC has been accepted.

Respondent shall submit satisfactory proof of payment of restitution or of reasonable and documented efforts undertaken to effect restitution after each payment due under the installment plan. Such proof shall be submitted to David F. Newman, Senior Regional Counsel, FINRA Department of Enforcement, 1835 Market Street, Suite 1900, Philadelphia, PA 19103, either by letter that identifies Loungani and the case number and includes a copy of the check, money order or other method of payment or other method of payment or by e-mail, with pdf copies of the payment documentation to EnforcementNotice@FINRA.org. This proof shall be provided to the FINRA staff member listed above no later than 15 days after each payment is due.

If for any reason Respondent cannot locate the customer identified in Attachment A after reasonable and documented efforts within 120 days from the date of the AWC is accepted, or such additional period agreed to by a FINRA staff member in writing, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property or abandoned property fund in the state in which the customer is last known to have resided. Respondent shall provide satisfactory proof of such action to the FINRA staff member identified above and in the manner described above, within 14 days of forwarding the undistributed restitution to the appropriate state authority.

The imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies.

My limited ability to pay has been considered in connection with the monetary

sanctions imposed in this AWC. 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 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.

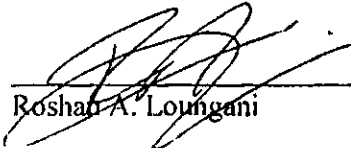
OTHER MATTERS

I understand that:

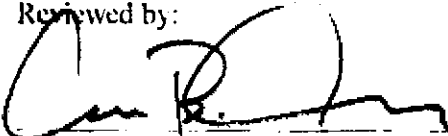
- A. **Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;**
- B. **If this AWC is not accepted, its submission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

05/14/2016
Date (mm/dd/yyyy)


Roshan A. Loungani

Reviewed by:

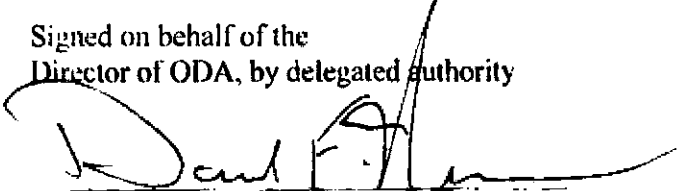


UnBo Chung, Esq.
Counsel for Respondent
General Counsel and Chief Compliance Officer
Areté Wealth Management
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~~Schaumburg, Ill 60173-4920~~ Chicago, IL 60607
Phone: (847) 658-8366; Fax (847) 277-7239
Email: bob.chung@aretewealth.com

Accepted by FINRA:

June 7, 2016
Date

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



David F. Newman
Senior Regional Counsel
FINRA Department of Enforcement
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Philadelphia, PA 19103
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940-
3684

**ATTACHMENT A
AWC NO. 2013037488701**

CUSTOMER	DATE OF PAYMENT	AMOUNT OF RESTITUTION (INTEREST TO BE ADDED)
MQ	PAYMENT #1 - 15 DAYS AFTER ACCEPTANCE OF AWC	\$5,825.08
	PAYMENT #2 - FIVE MONTHS AND 15 DAYS LATER	\$5,825.08
	PAYMENT #3 - THREE MONTHS LATER	\$5,825.08
	PAYMENT #4 - THREE MONTHS LATER	\$5,825.08
	PAYMENT #5 - THREE MONTHS LATER	\$5,825.08
	PAYMENT #6 - THREE MONTHS LATER	\$5,825.08
	PAYMENT #7 - THREE MONTHS LATER	\$5,825.08
	PAYMENT #8 - THREE MONTHS LATER	\$5,825.08
	PAYMENT #9 - THREE MONTHS LATER	\$5,825.08
	PAYMENT #10 - THREE MONTHS LATER	\$5,825.08
	PAYMENT #11 - THREE MONTHS LATER	\$5,825.08
	PAYMENT #12 - THREE MONTHS LATER	\$5,825.08
TOTAL		\$69,901