

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014039902901**

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

RE: Eric Leeper Swenson, Respondent
Registered Representative
CRD No. 3263767

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

Eric Leeper Swenson (“Swenson”) entered the securities industry when he became associated with Scottrade, Inc. (CRD 8206; “Scottrade”) as an intern in June 1999. He obtained his General Securities Representative (Series 7) license and became registered through Scottrade in October 2003. At Scottrade, Swenson worked as a broker/financial consultant until December 2013.

In a Form U5 dated January 22, 2014, Scottrade reported that Swenson had been terminated for failing “to report accurate information regarding outside business activity.”

In November 2014, Swenson became registered as a General Securities Representative with PNC Investments (CRD 129052), where he remains registered.

RELEVANT DISCIPLINARY HISTORY

Swenson has no prior disciplinary history.

OVERVIEW

From June 2012 through August 2013, Swenson participated in outside business activities that he did not disclose to Scottrade. By failing to disclose the full scope of his outside business activity in accordance with FINRA Rule 3270, Swenson violated FINRA Rules 3270 and 2010.

During the FINRA investigation into Swenson's outside business activity, Swenson failed to produce documents and information subject to FINRA Rule 8210 requests in a timely manner. He thereby violated FINRA Rule 8210 and Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Swenson failed to fully disclose his outside business activity.

FINRA Rule 3270 states, in relevant part, that “[n]o registered person may be an employee, ... or officer..., 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.”

On June 15, 2012, Swenson provided to Scottrade written notice that he wished to participate in an outside business activity, Impact Energy Gum, Inc. (“Impact”), as an investor. He further informed the firm that his title would be investor, he would have no responsibilities at Impact, and he would spend no time on the business of Impact. Based on these representations, Scottrade approved this outside business activity that day and instructed Swenson that if his participation in this activity changed or ceased, he was required to notify the Firm immediately in writing.

Swenson did not inform the Firm or obtain approval of the full scope of his activities on behalf of Impact. From July 2012 through December 2013, among other things, Swenson contacted potential distributors, exporters, and equipment vendors and lessors on behalf of Impact. He also was involved in unsuccessful attempts to solicit potential investors (including Scottrade customers) to purchase the securities of Impact, and he obtained a short-term loan to Impact from a family member. Moreover, in hundreds of emails he sent on behalf of Impact in connection with these and other activities, Swenson identified himself as Impact's Chief Business Officer and he had business cards identifying him as Impact's Chief Business Officer. Swenson did not disclose to Scottrade the full extent of his involvement with Impact, as required by FINRA Rule 3270.

As a result of the foregoing conduct, Swenson violated FINRA Rules 3270 and 2010.

Swenson Made Untimely Responses to Rule 8210 Requests for Information and Documents.

By letters dated February 11, 2014 and June 25, 2014 (both issued pursuant to FINRA Rule 8210), FINRA asked Swenson to produce information and documents concerning his outside business activities with Impact and his termination by the Firm. In his responses (the first dated February 20, 2014; the second undated but received by FINRA on July 18, 2014), Swenson did not disclose the full scope of his Impact activities, and he produced only a single document relating to the termination of his Scottrade employment.

On August 31, 2015 (after Swenson's on-the-record testimony was scheduled and after he retained counsel), Swenson produced hundreds of additional documents, including emails (many with attachments) that were responsive to the staff's 8210 requests. Through this production, a subsequent production of documents, and testimony, Swenson provided the information and documents sought by the 8210 requests dated February 11, 2014 and June 25, 2014.

By not timely responding to the staff's 8210 requests, Swenson violated FINRA Rules 8210 and 2010.

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

- a nine-month suspension from association with any FINRA member in any capacity; and
- a fine of \$10,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the nine-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 have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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.

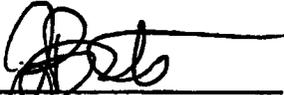
D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute 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.

7/26/2016
Date (mm/dd/yyyy)


Eric Leeper Swenson

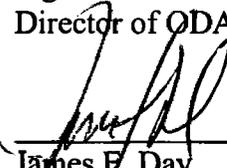
Reviewed by:


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Accepted by FINRA:

10/14/16
Date

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



James E. Day
Vice President and Chief Counsel
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