

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2018057927801**

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

RE: Richard D. Niemann, Respondent
CRD No. 348144

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Richard D. Niemann ("Niemann" or "Respondent"), 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

Niemann first registered with a FINRA member firm in 1971. Niemann worked with a number of FINRA member firms prior to joining UBS Financial Services Inc. (CRD No. 8174) ("UBS" or the "Firm") in January 2002 as a General Securities Representative, General Securities Principal, General Securities Sales Supervisor, Municipal Securities Principal, and Registered Options Principal. Niemann remains registered with UBS as a General Securities Representative.

RELEVANT DISCIPLINARY HISTORY

Niemann does not have any relevant formal disciplinary history with the Securities and Exchange Commission, any self-regulatory organization, or any state securities regulator.

OVERVIEW

From June 2010 through November 2017, Niemann exercised discretion without written authorization in 13 accounts belonging to 11 customers, in violation of NASD Rule 2510(b) and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

NASD Rule 2510(b) prohibits registered representatives from exercising discretion in a customer's account unless the customer has provided prior written authorization to the representative, and the representative's firm has provided prior written acceptance of the account as a discretionary account.

From June 2010 through November 2017, while registered through UBS, Niemann effected approximately 400 discretionary transactions in 13 accounts belonging to 11 customers without obtaining prior written authorization from the customers, and without UBS having accepted the accounts as discretionary. Although the customers had given Niemann express or implied authority to exercise discretion in their accounts, none of the customers had provided written authorization for Niemann to exercise discretion. Furthermore, Niemann did not obtain written authorization from the Firm to make trades in the accounts on a discretionary basis; indeed, UBS's written supervisory procedures prohibited representatives from doing so.

By virtue of the foregoing, Niemann violated NASD Rule 2510(b) and FINRA Rule 2010.

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

- a suspension from associating in any and all capacities with any FINRA member firm for 15 business days; and
- a \$5,000 fine.

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. 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 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

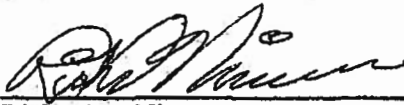
I understand that:

- 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:

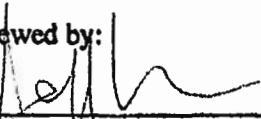
1. **this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;**
 2. **this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;**
 3. **FINRA may make 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; 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.

3-5-2019
Date (mm/dd/yyyy)


Richard D. Niemann

Reviewed by:

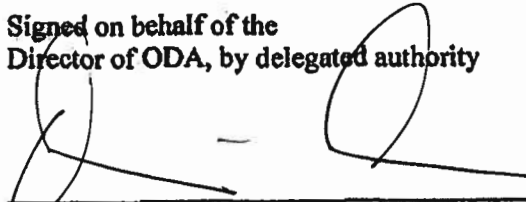


Jeff Kern, Esq.
Counsel for Respondent
Sheppard Mullin Richter & Hampton LLP
30 Rockefeller Plaza
New York, NY 10112-0015
Tel.: (212) 634-3075
Fax: (212) 655-1741

Accepted by FINRA:

3/11/19
Date

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



David Camuzo
Senior Counsel
FINRA Department of Enforcement
581 Main Street, Suite 710
Woodbridge, NJ 07095
Tel.: (732) 596-2019
Fax: (202) 689-3428
David.Camuzo@finra.org