FINANCIAL INDUSTRY REGULATORY AUTHORITY

In the Matter of the Continued Membership of Ameritas Investment Corp. (CRD No. 14869) Duncan-Williams, Inc. (CRD No. 6950) Estrada Hinojosa & Company, Inc. (CRD No. 19299) Fifth Third Securities, Inc. (CRD No. 628) The Frazer Lanier Company, Incorporated (CRD No. 7089) Joe Jolly & Co., Inc. (CRD No. 7170) NW Capital Markets, Inc. (CRD No. 17622) Prager & Co., LLC (CRD No. 21567) Ross, Sinclaire & Associates, LLC (CRD No. 25440) with FINRA	Notice Pursuant to Rule 19h-1 Securities Exchange Act of 1934 SD- MCDC- 046 SD- MCDC- 039 SD- MCDC- 044 SD- MCDC- 041 SD- MCDC- 048 SD- MCDC- 038 SD- MCDC- 042 SD- MCDC- 052 SD- MCDC- 040 **Date: November 30, 2015**

I. Introduction

In October 2015, Ameritas Investment Corp. ("Ameritas"), Duncan-Williams, Inc. ("Duncan"), Estrada Hinojosa & Company, Inc., ("Estrada"), Fifth Third Securities, Inc. ("Fifth Third"), The Frazer Lanier Company, Incorporated ("Frazer Lanier"), Joe Jolly & Co., Inc. ("Joe Jolly"), NW Capital Markets, Inc. ("NW Capital"), Prager & Co., LLC ("Prager") and Ross, Sinclaire & Associates, LLC ("Ross") (individually a "Firm" and collectively, the "Firms") each submitted a Membership Continuance Application (collectively "MC-400As" or the "Applications") to FINRA's Department of Registration and Disclosure ("RAD"). The Applications seek to permit the Firms to continue in membership with FINRA notwithstanding their statutory disqualifications. Hearings were not held in these matters; rather, pursuant to FINRA Rule 9523(b), FINRA's Department of Member Regulation ("Member Regulation" or "the Department") approves the Firms' Applications and is filing this single Notice pursuant to Rule 19h-1 of the Securities Exchange Act of 1934 ("Exchange Act").

II. The Statutorily Disqualifying Event Underlying the Applications

The Firms are subject to a statutory disqualification, as that term is defined in Section 15(b)(4)(D), incorporated by reference in Section 3(a)(39)(F) of the Exchange Act, as a result of the U.S. Securities and Exchange Commission's ("SEC" or

"Commission") September 30, 2015 orders (the "Orders") finding that the Firms willfully violated Section 17(a)(2) of the Securities Act of 1933 ("Securities Act").

The Firms' statutory disqualifications arise out of an initiative by the SEC relating to the collective failures of firms acting as underwriters of municipal securities offerings to conduct adequate due diligence in determining whether the issuers of such securities substantially complied with their continuing disclosure obligations pursuant to Rule 15c2-12 of the Exchange Act.[1] According to the Orders, the underwriters failed to form a reasonable basis for believing the truthfulness of certain material representations in the issuers' official statements. As part of the SEC's Municipalities Continuing Disclosure Cooperation Initiative ("MCDC Initiative"), the SEC offered certain settlement terms to any underwriter that self-reported to the SEC its involvement in an offering where the issuer of that offering failed to abide by its continuing disclosure requirements pursuant to Exchange Act Rule 15c2-12.[2]

Each of the Firms self-reported to the SEC their respective involvement in such offerings and without admitting or denying the findings made in the Orders, each Firm submitted Offers of Settlement, which the Commission accepted. Accordingly, each Firm consented to the SEC's entry of an Order against it. The SEC's Orders found that the Firms acted as either sole or senior underwriters in a number of offerings in which the official statements essentially represented that the issuer or obligated person had not failed to comply in all material respects with any previous continuing disclosure undertakings. In fact, certain of these official statements were found to be materially false or misleading because the issuer or obligated person had not complied in all material respects with their continuing disclosure obligations according to Exchange Act Rule 15c2-12. For their part, the Firms failed to form a reasonable basis through adequate due diligence for believing the truthfulness of the statements made by municipal issuers regarding their compliance with Exchange Act Rule 15c2-12. Based on these failures, the SEC found that the Firms willfully violated the antifraud provisions of the federal securities laws, specifically Section 17(a)(2) of the Securities Act, by offering and selling municipal securities on the basis of materially misleading disclosure documents.

Pursuant to the Orders, the Firms were fined between $40,000 and $240,000, and each was required to comply with an identical set of undertakings.[3] In ordering the sanctions, the SEC took into consideration that the Firms self-reported these violations as

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[1] *See* the SEC's Municipalities Continuing Disclosure Cooperation Initiative webpage, available at https://www.sec.gov/divisions/enforce/municipalities-continuing-disclosure-cooperation-initiative.shtml.

[2] *Id.*

[3] Those undertakings include the retention of an independent consultant to conduct a review of the Firms' policies and procedures as they relate to municipal securities underwriting due diligence, and for the Firms to implement any such recommendations in the time period established in the Orders or by the time period granted by Commission staff in any extension.

part of the MCDC Initiative.

III. Background Information About the Firms

A. Location of Firms & Business Activities

Ameritas, Duncan, Estrada, Fifth Third, Frazer Lanier, Joe Jolly, NW Capital, Prager, and Ross are located in Lincoln, Nebraska; Memphis, Tennessee; Dallas, Texas; Cincinnati, Ohio; Montgomery, Alabama; Birmingham, Alabama; Hoboken, New Jersey; San Francisco, California; and Cincinnati, Ohio, respectively. In addition to a municipal securities business, these Firms are also approved to engage in, among other things, a general securities business, government and corporate debt securities, mutual funds, private placement, and advisory services.

B. Examination Histories

In the two years preceding the filing of this Notice, FINRA completed 10 routine and four cause examinations of the Firms that were disposed of with cautionary action letters[4], an Acceptance, Waiver and Consent, or were referred to FINRA's Department of Enforcement to determine whether further action is warranted. FINRA conducted two examinations of Ameritas, one examination of Duncan, two examinations of Estrada, three examinations of Fifth Third, two examinations of Frazer Lanier, one examination of Joe Jolly, one examination of NW Capital, one examination of Prager, and one examination of Ross. Collectively, examination findings of these Firms included, among other things, exceptions related to inaccurate reporting of net capital, inadequate written supervisory systems, procedures and supervision, erroneous or untimely reporting, failures to keep current Form U4, failures in listing offering prices, failures in documenting registered representatives outside business activities, failures in the dissemination of consolidated reports, failures to conduct reasonable basis suitability analysis and failures in disclosures with respect to political contributions.

IV. The Firms' Proposed Continued Membership with FINRA and Proposed Supervisory Plan

Pursuant to Exchange Act Rule 19h-1(c)(4) and FINRA Rule 9523(b), the Firms have each agreed to the following plan of supervision (the "Supervisory Plan"):

1. Comply with the undertakings specified in the Orders;

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[4] A cautionary action letter is an informal disposition of an examination, review or investigation where it has been determined that a violation of FINRA rules or other pertinent laws has occurred but based on the facts and circumstances, the misconduct does not warrant a formal disciplinary proceeding.

2. Establish protocols to ensure that the undertakings outlined in the Orders are completed in the time period established in the Order or by the time period granted by Commission staff in any extension;

3. Provide FINRA with copies of correspondence between the Firm and Commission staff regarding requests to extend the procedural dates relating to the undertakings; and

4. Provide FINRA with a copy of the certification and all supporting documentation that will be provided to the Commission upon completion of the undertakings as specified in the Orders. These documents must be sent directly to:

   Lorraine Lee-Stepney
   Manager, Statutory Disqualification Program
   FINRA
   1735 K Street NW
   Washington, DC 20006
   Lorraine.Lee@finra.org

V. Discussion & Recommendation

As an initial matter, FINRA is filing this single Notice for each of the Firms identified above that are part of the SEC's broader MCDC Initiative. As described in the SEC's Orders, the Firms have committed the same violation of the Exchange Act relating to their respective failures as underwriters of municipal offerings to ensure municipal issuers complied with their Exchange Act Rule 15c2-12 obligations. Each Firm self-reported its violation to the SEC and each was similarly sanctioned and fined.

After carefully reviewing the records in these matters, FINRA approves the Applications submitted by these Firms. In evaluating applications like these, FINRA assesses whether the statutorily disqualified firm seeking to continue its membership with FINRA has demonstrated that its continued membership is consistent with the public interest and does not create an unreasonable risk of harm to the market or investors. *See* FINRA By-Laws, Art. III, Sec. (3)(d); *cf Frank Kufrovich,* 55 SEC. 616, 624 (2002) (holding that FINRA "may deny an application by a firm for association with a statutorily-disqualified individual if it determines that employment under the proposed plan would not be consistent with the public interest and the protection of investors"). Typically, factors that bear on our assessment include the nature and gravity of the statutorily disqualifying misconduct, the time elapsed since its occurrence, the restrictions imposed, and whether there has been any intervening misconduct. In this instance, FINRA also considered the Firms' participation in the MCDC Initiative and their attendant self-reporting of involvement in offerings where the issuer failed to abide by its continuing disclosure requirements.

FINRA finds that the Firms have each demonstrated that their respective continued membership is consistent with the public interest and does not create an unreasonable risk of harm. While FINRA recognizes that the underlying misconduct involved serious violations of the federal securities laws, rules and regulations, FINRA also takes into account that each Firm self-reported its violations to the Commission and that the sanctions by the Commission did not expel, suspend or otherwise limit the Firms' securities activities.[5] Instead, the Commission imposed remedial sanctions consistent with the purpose of disciplinary actions under the Exchange Act. *See* Exchange Act § 15(b) *et seq*; *Paul Edward Van Dusen*, 47 SEC 668, 670-671 (1981), quoting *Commonwealth Securities Corporation*, 44 SEC 100, 101-102 (1969) ("The sanctions ... serve[] to deter both the particular respondents as well as others in the securities industry from committing violations of the securities laws. We have been cognizant of the importance of exercising the discretionary power reposed to us in this area in a manner that will afford investors protection without visiting upon the wrongdoers adverse consequences not required in achieving the statutory objectives").

FINRA finds that a review of the Firms' regulatory histories, including recent examinations, should not prevent them from continuing as FINRA members. FINRA further notes that each Firm was ordered to pay civil monetary sanctions for the misconduct and was ordered to hire an independent consultant for an extended period of time. The purpose of the independent consultant will be to address deficiencies in the Firms' policies and procedures relating to the due diligence process for underwriting municipal securities offerings. The Applications show that each Firm has paid the civil monetary sanctions, and has retained or is in the process of retaining an independent consultant. Each Firm has additionally agreed, pursuant to their Supervisory Plans to, among other things; apprise FINRA of their respective compliance with the undertakings ordered by the Commission. FINRA accepts these Commission ordered undertakings as sufficient to deter similar misconduct by the Firms in the future. Additionally, FINRA may, through its own examination program, assess whether the recommended changes are implemented.

FINRA approves the Firms' continued membership with FINRA as it does not present an unreasonable risk of harm to the market or investors. Three of the Firms are members of one other Self-Regulatory Organization ("SRO") and where appropriate that SRO has indicated it concurs with FINRA's determination to approve the Firms' continued membership.[6]

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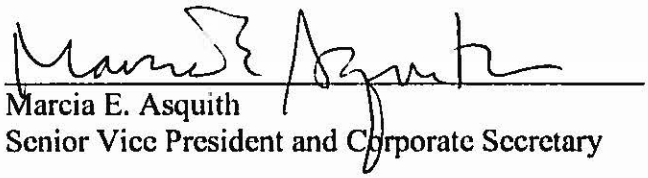
[5] FINRA notes that the Commission found good cause to grant the Firms waivers from the disqualification provisions of Rules 262(b)(3), 505(b)(2)(iii), 506(d)(1)(iv) and 602(c)(3) of the Securities Act of 1933, and waivers from being ineligible issuers. The SEC's order is available at https://www.sec.gov/rules/other/2015/33-9956.pdf.

[6] The following SRO concurs with the Firms' continued membership: The National Securities Clearing Corporation ("NSCC").

Additionally, one of the Firms represents that it is associated with an individual who is subject to a statutory disqualification.

On Behalf of the National Adjudicatory Council,



Marcia E. Asquith
Senior Vice President and Corporate Secretary