

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015046203101**

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

**RE: John Christopher Oldham, Respondent
Former General Securities Representative and
Investment Company Products/Variable Contracts Representative
CRD No. 4621277**

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

Oldham entered the securities industry in January 2003 when he associated with a member firm and became registered as an Investment Company Products/Variable Contracts representative in February 2003. He first registered as a General Securities Representative in April 2004. From May 2014 through September 2015, Oldham was registered with FINRA through NPB Financial Group, LLC in those same capacities. Thereafter, Oldham was registered through another member firm until October 2016. Although he is not currently registered or associated with a member firm, he remains subject to the jurisdiction of FINRA pursuant to Article V, Section 4 of FINRA's By-Laws. Oldham has no disciplinary history.

OVERVIEW

From August 2014 through July 2015, while associated with NPB Financial, Oldham shared commissions from the sales of alternative investments with an unregistered entity and thereby violated NASD Rule 2420(a)¹ and FINRA Rule 2010. During the same period, Oldham caused NPB Financial to maintain inaccurate books and records. As a result, he violated FINRA Rules 4511 and 2010.

FACTS AND VIOLATIVE CONDUCT

FACTUAL BACKGROUND

In August 2014, Oldham entered into an arrangement with an Investment Advisor (“IA”) to facilitate sales of publicly registered non-traded REITs and Business Development Companies (collectively, “alternative investments”) to the IA’s customers. Under this arrangement, the IA agreed to refer some of its customers to Oldham so he could purchase alternative investments in accounts opened by them at NPB Financial. In return for these referrals, Oldham agreed to pay the IA a majority of the commissions he would receive from these transactions. The IA was not a registered broker-dealer and its representatives were not associated with a FINRA member.

From August 2014 through July 2015, Oldham facilitated the sales of approximately 99 alternative investments totaling more than \$4.8 million to 50 customers referred to him by the IA. Oldham shared commissions with the IA amounting to about \$240,000 for these transactions.

In connection with these transactions, Oldham and the customers referred to him by the IA executed subscription agreements. By executing these agreements, Oldham expressly warranted that he was the financial advisor who had advised each customer of all aspects of liquidity and marketability of the investments. In some instances, this representation was inaccurate because Oldham had not communicated with the customer who had executed the subscription agreement.

COMMISSION SHARING WITH AN UNREGISTERED ENTITY

NASD Rule 2420 prohibited member firms and their associated persons from sharing commissions derived from a securities transaction with anyone who is not a registered entity or an associated person of a registered entity. A violation of this rule also constitutes a violation of FINRA Rule 2010.

As described above, from August 2014 through July 2015, Oldham paid commissions derived from securities transactions to the IA, an unregistered entity.

¹ NASD Rule 2420 was superseded by FINRA Rule 2040, effective August 24, 2015. NASD Rule 2420 applies here because the transactions at issue occurred before August 24, 2015.

By virtue of the foregoing, Oldham violated NASD Rule 2420 and FINRA Rule 2010.

**CAUSING A MEMBER FIRM'S BOOKS AND RECORDS
TO BE INACCURATE**

FINRA Rule 4511 requires FINRA members to make and preserve books and records as required under the FINRA rules, the Exchange Act and the applicable Exchange Act Rules. Those rules require member firms to make and preserve accurate information and records relating to the sales of securities. The entry of accurate information in firm records is a foundation for FINRA's regulatory oversight of its members and it is critical that associated persons, as well as firms, comply with this requirement. A violation of FINRA Rule 4511 also constitutes a violation of FINRA Rule 2010.

By representing in subscription agreements that he was the financial advisor who had informed each customer of all aspects of liquidity and marketability of the investments at issue when he had not directly communicated with each customer as described above, Oldham caused his firm's books and records to be inaccurate.

By virtue of the foregoing, Oldham violated FINRA Rules 4511 and 2010.

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

- a three-month suspension from associating with any FINRA member in any and all capacities; and
- a \$5,000 fine.

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 understand and acknowledge that FINRA does not represent or advise me and I cannot rely on FINRA or FINRA staff members for legal advice; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or

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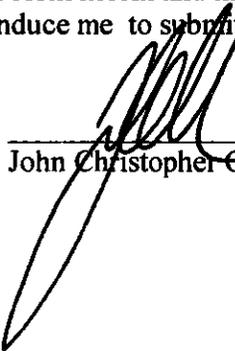
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promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

03/22/2017
Date (mm/dd/yyyy)

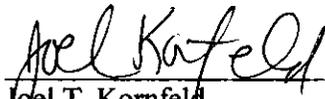


John Christopher Oldham

Accepted by FINRA:

4/3/17
Date

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



Joel T. Kornfeld
Senior Regional Counsel
FINRA Department of Enforcement
300 S. Grand Avenue, Suite 1600
Los Angeles, CA 90071
Phone: 213-613-2643