

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016051184601**

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

RE: Jon Sugick, Respondent
Former Registered Representative
CRD No. 4985852

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

Jon Sugick ("Sugick") entered the securities industry when he became employed by a FINRA member firm in March 2008. He was registered through the same FINRA member firm as a General Securities Representative ("GSR") in May 2008. Sugick became registered as a GSR through NYLIFE Securities LLC ("NYLife" or "the Firm") on January 22, 2009, where he remained registered until August 30, 2016.

In a Uniform Termination Notice for Securities Industry Registration (Form U5) filed on August 30, 2016, the Firm reported that Sugick "resigned after declining to speak with company representatives investigating whether he engaged in an unapproved outside business activity, which the company previously denied, involving the sale of unapproved commodity products."

Sugick is not currently associated with any FINRA member, but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Sugick has no prior disciplinary history.

OVERVIEW

Beginning in April 2015 until August 2016, Sugick engaged in outside business activities without prior approval of NYLife. First, Sugick established a limited liability corporation in April 2015, and failed to provide written notice to the Firm until October 2015. The Firm prohibited him from participating in this company and ordered him to relinquish his ownership in the company, which he failed to do. Second, beginning in June 2015, Sugick received approximately \$11,000 in referral fees for referring 11 individuals to a commodities trading advisor, without providing written notice to the Firm. As a result, Sugick violated FINRA Rules 3270 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3270 prohibits a registered representative from being "an employee, independent contractor, sole proprietor, officer, director, or partner of another person, or be[ing] compensated . . . 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 written notice to the member, in such form as specified by the member."

Beginning in April 2015 until August 2016, Sugick engaged in two outside business activities without providing the Firm the written notice required under FINRA Rule 3270.

First, Sugick incorporated a limited liability company in April 2015, which he intended to use to conduct commodities trading. Sugick served as the company's Chief Executive Officer. Sugick failed to provide the Firm with written notice of the company until October 2015, at which time the Firm denied his request to participate in the outside business activity and instructed him to dissolve or transfer his ownership in the entity. Sugick disregarded the Firm's instructions, remaining the company's CEO while he was associated with the Firm.

Second, from June 2015 to September 2015, Sugick referred 11 individuals, including nine Firm customers, to a commodities trading advisor. Sugick received approximately \$11,000 in referral fees from the commodities trading advisor. Those individuals invested with the commodities trading advisor and ultimately incurred significant losses. Sugick did not provide written notice of this outside business activity to NYLife.

In addition, Sugick also provided an inaccurate response on the Firm's annual compliance questionnaire, attesting in November 2015 that he had disclosed all outside business activities to the Firm in writing.

By virtue of the foregoing, Respondent violated FINRA Rules 3270 and 2010.

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

- o A two-month suspension from association with any FINRA member in any capacity; and
- o A fine of \$5,000.

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(s) 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.

7-3-2018

Date (mm/dd/yyyy)



Jon Sugick
Respondent

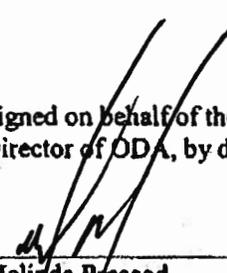
Reviewed by:


Jacqueline C. Gerald
Burr Zinger, Esq.
Counsel for Respondent
McLaughlin & Stern, LLP
260 Madison Avenue
New York, NY 10016
Tel: (212) 803-1316

Accepted by FINRA:

7/26/2018
Date

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



Melinda Prescod
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FINRA Department of Enforcement
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