

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2018060817701**

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

RE: David C. Vanech, Respondent
General Securities Representative
CRD No. 5195259

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent David C. Vanech ("Vanech") submits 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, 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

In 2006, Vanech entered the securities industry when he associated with a FINRA member firm and registered with FINRA as a General Securities Representative ("GSR"). From 2006 to 2010, Vanech was associated with one FINRA member firm and registered with FINRA as a GSR. In August 2010, Vanech associated with Oppenheimer & Co. Inc. ("Oppenheimer" or the "Firm"), a FINRA member firm, and registered with FINRA as a GSR.

Vanech continues to be associated with Oppenheimer and is therefore subject to FINRA's jurisdiction.

RELEVANT DISCIPLINARY HISTORY

Respondent does not have any disciplinary history with the Securities and Exchange Commission, any state securities regulators, FINRA, or any other self-regulatory organization.

OVERVIEW

Between January 2014 and February 2018 (the "Relevant Period"), Vanech requested his client service associate at Oppenheimer to complete continuing education ("CE") modules on his behalf, in violation of FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 2010 states that a "member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade."

To meet its obligations to provide Firm Element CE under FINRA Rule 1250(b),¹ the Firm used an online eLearning system that delivered various training modules to its registered representatives. Registered representatives were required under the Firm's written policies and procedures to personally complete their assigned training modules by certain deadlines throughout the year.

During the Relevant Period, as a registered representative at the Firm, Vanech was required to personally complete his assigned Firm Element CE modules and other assigned training throughout the year by certain deadlines set by the Firm. For four CE modules assigned to him by the Firm during the Relevant Period, Vanech requested that his client service associate complete the CE modules on his behalf. For example, Vanech requested that his associate complete a Firm Element CE module regarding compliance requirements for municipal securities dealers, and a module required by the Firm regarding Section 5 of the Securities Act of 1933.

At Vanech's request, his client service associate completed the above-referenced training on his behalf, and Vanech did not complete this training himself.

In 2019, the Firm conducted an internal investigation into whether Vanech's client service associate completed CE modules on his behalf. During this investigation, Vanech admitted his misconduct to the Firm.

As a result of the foregoing, Vanech violated FINRA Rule 2010.

B. Respondent also consents to the imposition of the following sanctions.

- a suspension from association with any FINRA member firm in any capacity for 3 months;
- a \$3,000 fine; and
- a requirement that within 60 days of the date this AWC is accepted, Respondent

¹ FINRA Rule 1250 was superseded and replaced by FINRA Rule 1240 effective October 1, 2018

will undertake to attend and satisfactorily complete 10 hours of CE through a provider not unacceptable to FINRA. At least 10 days prior to commencing such CE, Respondent will notify Meghan Ferguson, Principal Counsel, in FINRA's Department of Enforcement regarding the CE provider(s). Within 30 days of Respondent's satisfactory completion of the CE, he will submit written proof thereof and a letter to Meghan Ferguson, FINRA Department of Enforcement, 15200 Omega Drive, Suite 300, Rockville, MD 20850-3241, and by email to meghan.ferguson@finra.org. All correspondence must identify the Respondent and Matter No. 20180608177.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes 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, he 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

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against him;
- 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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives 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

Respondent understands 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 Respondent; and
- C. If accepted:
 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 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. Respondent 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. Respondent 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 Respondent's: (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.

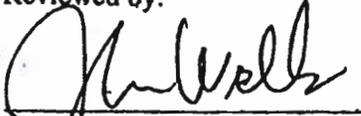
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent has agreed to the AWC's provisions voluntarily; and 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 him to submit this AWC.

9/17/19
Date


David C. Vanech
Respondent

Reviewed by:



John K. Wells
Counsel for Respondent
Greenberg Traurig, LLP
One International Place, Suite 2000
Boston, MA 02110

Accepted by FINRA:

9/19/19
Date

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



Meghan A. Ferguson
Principal Counsel
FINRA Department of Enforcement
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