

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2020067955001**

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

RE: Christopher John Shaw (Respondent)
General Securities Representative
CRD No. 5011382

Pursuant to FINRA Rule 9216, Respondent Christopher John Shaw 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 in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Shaw first became registered with FINRA in 2005 when he became associated with a FINRA member as a General Securities Representative. From May 15, 2019 through September 15, 2020, Shaw was registered as a General Securities Representative through an association with Pruco Securities, LLC (CRD No. 5685). Shaw is currently registered with another FINRA member firm.¹

OVERVIEW

On April 23, 2020, Shaw exercised discretion without written authorization to execute 17 trades in 11 customer accounts, in violation of FINRA Rules 3260(b) and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from FINRA's investigation of a Form U5 filed by Pruco.

FINRA Rule 3260(b) provides that "[n]o member or registered representative shall exercise any discretionary power in a customer's account unless such customer has given prior written authorization to a stated individual or individuals and the account has been

¹ For more information about the respondent, visit BrokerCheck® at www.finra.org/brokercheck.

accepted by the member, as evidenced in writing by the member or the partner, officer or manager, duly designated by the member” A violation of Rule 3260(b) is also a violation of FINRA Rule 2010, which requires FINRA members and associated persons to “observe high standards of commercial honor and just and equitable principles of trade” in the conduct of their business.

On April 23, 2020, Shaw exercised discretion without written authorization to execute 17 trades in 11 customer accounts. Although Shaw mistakenly believed he had discretionary authority for the accounts, Shaw did not have the customers’ written authorization or Pruco’s acceptance to trade the accounts on a discretionary basis. To the contrary, Pruco did not permit the use of discretion in its brokerage accounts.

Therefore, Shaw violated FINRA Rules 3260(b) and 2010.

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

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

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 after the execution of this AWC, the monetary sanction 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 in this AWC shall be effective on a date set by FINRA.

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 its acceptance or rejection.

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

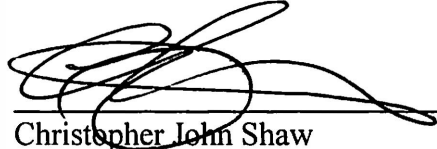
Respondent understands that:

- 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 its subject matter 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 right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.
- 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.

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 in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

10/28/2022
Date



Christopher John Shaw
Respondent

Reviewed by:


Amy Folk

Amy C. Folk, Esq.
Counsel for Respondent
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Accepted by FINRA:

November 7, 2022
Date

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



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