

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2021072595001**

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

RE: John M. Derbin, Jr. (Respondent)  
General Securities Representative  
CRD No. 3183322

Pursuant to FINRA Rule 9216, Respondent John M. Derbin, Jr. 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**

Derbin entered the securities industry in January 1999 when he became associated with a FINRA member firm. Since November 2018, Derbin has been registered with FINRA as a General Securities Representative through his association with LifeMark Securities Corp. (LifeMark).<sup>1</sup>

**OVERVIEW**

In August 2021, Derbin impersonated a customer on a telephone call to a financial services company, in violation of FINRA Rule 2010.

**FACTS AND VIOLATIVE CONDUCT**

This matter originated from a FINRA Rule 4530 filing by LifeMark.

FINRA Rule 2010 requires members and associated persons, in the conduct of their business, to “observe high standards of commercial honor and just and equitable principles of trade.” Impersonating a customer is inconsistent with this standard and thus constitutes a violation of Rule 2010.

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<sup>1</sup> For more information about the respondent, visit BrokerCheck® at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

Derbin's customer, a public school teacher, wanted to transfer her retirement plan from one fund provider to another. On August 27, 2021, Derbin attempted a three-way telephone call with the existing fund provider, the customer and himself for the sole purpose of determining the type of retirement account the customer had.

The customer, however, did not answer Derbin's attempted three-way call. On the ensuing call between Derbin and the fund provider, Derbin identified himself as the customer. He provided the fund provider with the customer's date of birth, social security number, maiden name, and account number to convince the fund provider that he was the customer. He then asked the fund provider to tell him what type of retirement plan the customer owned. The fund provider did not provide this information, and instead requested a call back number from Derbin, which Derbin declined to provide. The fund provider refused to provide Derbin with the information and alerted LifeMark. When LifeMark confronted Derbin, Derbin twice falsely stated that he believed the customer was on the line when the call was made to the fund provider.

By impersonating a customer, Derbin violated FINRA Rule 2010.

### **SANCTIONS CONSIDERATIONS**

In determining the appropriate sanctions in this matter, FINRA considered, among other factors, that on September 2, 2021, LifeMark sanctioned Derbin for his misconduct, which included imposing a \$5,000 fine, a 30 calendar-day suspension, and a forfeiture of all commissions made during the suspension period. LifeMark also required Derbin to complete training concerning (1) the protection of client information; and (2) ethical considerations for registered representatives.

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

- a 10 business-day suspension from associating with any FINRA member in all capacities and
- a \$2,500 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 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 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**

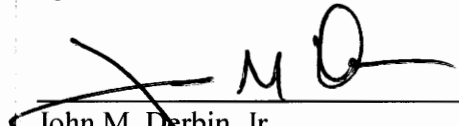
Respondent understands that:

- 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 understands and acknowledges that FINRA does not represent or advise him, and Respondent cannot rely on FINRA for legal advice. 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.

5-12-2022  
Date

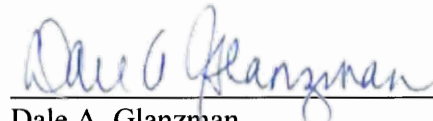
  
John M. Derbin, Jr.  
Respondent

Reviewed by:

Accepted by FINRA:

May 24, 2022  
Date

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

  
Dale A. Glanzman  
Dale A. Glanzman  
Senior Counsel  
FINRA  
Department of Enforcement  
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