

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2018059313701**

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

RE: Philip Nalesnik, Respondent
Former Registered Representative
CRD No. 4561380

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Philip Nalesnik ("Respondent"), 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

Nalesnik became registered with FINRA as a General Securities Representative through an association with a member firm in 2002. He joined LPL Financial LLC ("LPL" or the "Firm") in July 2008 and remained there until LPL terminated his employment in July 2018 and filed a Uniform Termination Notice for Securities Industry Registration (Form U-5) indicating that he had violated "Firm policy regarding outside business activities and failure to timely and completely respond to Firm inquiries."

Nalesnik has not been associated with a FINRA member since LPL terminated his association, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Nalesnik has no prior disciplinary history with the Securities and Exchange Commission, any state securities agency, FINRA, or any other self-regulatory organization.

OVERVIEW

Nalesnik refused to provide testimony requested pursuant to FINRA Rule 8210 on the scheduled date or at any time. By virtue of this misconduct, Nalesnik violates FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 8210(a)(1) states, in relevant part, that FINRA has the right to “require a . . . person associated with a member, or any other person subject to FINRA’s jurisdiction to provide information orally, in writing, or electronically and to testify at a location specified by FINRA staff, under oath or affirmation with respect to any matter involved in the investigation, complaint, examination or proceeding.” FINRA Rule 8210(c) similarly provides that “[n]o member or person shall fail to provide . . . testimony . . . pursuant to this Rule.”

FINRA Rule 2010 requires associated persons to observe high standards of commercial honor and just and equitable principles of trade.

On April 3, 2019, FINRA staff sent a request to Nalesnik to provide on-the-record testimony pursuant to FINRA Rule 8210. As noted in his email to FINRA staff on April 9, 2019, and by this agreement, Nalesnik acknowledges that he received FINRA’s request and will not appear for on-the-record testimony on the date scheduled or at any time. By refusing to provide testimony as requested pursuant to FINRA Rule 8210, Nalesnik violates FINRA Rules 8210 and 2010.

- B. I also consent to the imposition of the following sanctions:
- A bar from associating with any FINRA member in any capacity.

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. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

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:

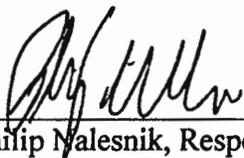
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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.

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 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 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.

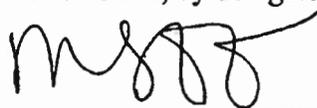
04/15/2019
Date (mm/dd/yyyy)


Philip Malesnik, Respondent

Accepted by FINRA:

5/17/2019
Date

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


Margery M. Shanoff
Senior Counsel
FINRA Department of Enforcement
15200 Omega Drive, 3rd Floor
Rockville, MD 20850
Telephone: 301-258-8515
Facsimile: 202-721-7530