

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2019063574801**

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

RE: Frederick Joseph Rock (Respondent)
Former General Securities Representative
CRD No. 2548242

In accordance with FINRA Rule 9216, Respondent Frederick Joseph Rock 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 Rock alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Rock 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, before a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Rock entered the securities industry in May 1995 when he registered with FINRA as a General Securities Representative (GS) through an association with a member firm. At various times between May 1995 and August 2019, Rock was registered with FINRA as a GS through associations with six member firms including, from July 2014 to August 2019, Pruco Securities, LLC in Tampa and St. Petersburg, Florida.

Although Rock is not currently associated with a member firm, he remains subject to FINRA's jurisdiction under Article V, Section 4 of FINRA's By-Laws.

Rock does not have any relevant disciplinary history.

OVERVIEW

Over a four-month period in 2019, Rock participated in private securities transactions totaling \$409,200. Rock did not provide advance written notice to Pruco for these transactions as required. As a result, Rock violated FINRA Rules 3280 and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from an August 9, 2019 amended Form U5 filing in which Pruco reported that Rock was under internal review for “engag[ing] in the sale of private securities without disclosing to or obtaining approval from the Firm.”

FINRA Rule 3280 prohibits associated persons from “participat[ing] in any manner in a private securities transactions” without first providing written notice to his or her member firm that “describ[es] in detail the proposed transaction and the person’s proposed role therein and stat[es] whether he has received or may receive selling compensation[.]” Subject to stated exceptions, a private securities transaction is “any securities transaction outside the regular course or scope of an associated person’s employment with a member.” A violation of Rule 3280 is also a violation of FINRA Rule 2010, which requires that members and their associated persons “observe high standards of commercial honor and just and equitable principles of trade.”

At all relevant times, Pruco’s written supervisory procedures required advance disclosure of any intended private securities transactions as described in FINRA Rule 3280.

Between March and June 2019, Rock solicited private-placement investments in a start-up company developing waste-to-energy technology totaling \$409,200 from 17 investors. Four of the investors were Pruco customers. Rock participated in these purchases by recommending the investments, helping the investors complete Stock Purchase Agreements (SPAs), and collecting their SPAs and investment checks to provide to the company. He did not receive any compensation for the sales. Rock did not provide Pruco with advance written notice of these activities, which were outside the regular course of his employment with the firm.

Therefore, Rock violated FINRA Rules 3280 and 2010.

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

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

Rock 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 fine shall be due and payable either immediately upon reassociation with a member firm or before any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

Rock 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.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

II.

WAIVER OF PROCEDURAL RIGHTS

Rock 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, Rock 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.

Rock 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

Rock 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), in accordance with FINRA Rule 9216;

- [REDACTED]
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Rock; and
- C. If accepted:
1. this AWC will become part of Rock's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Rock;
 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. Rock 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. Rock 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 Rock's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Rock may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Rock 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.

Rock 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; Rock understands and acknowledges that FINRA does not represent or advise him and he cannot rely on FINRA for legal advice. Rock 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.

April 22, 2021

Date

Frederick J. Rock

Frederick Joseph Rock
Respondent

Accepted by FINRA:

April 23, 2021

Date

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

Eric M. Goldstein

Eric M. Goldstein
Principal Counsel
FINRA
Department of Enforcement
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