

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013036179301**

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

RE: Eric C. Erb, Respondent
Former Registered Representative
CRD No. 4595068

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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

Respondent Eric C. Erb first entered the securities industry in 2002 and was registered with AXA Advisors, LLC ("AXA" or the "firm") as a General Securities Representative until March 2013. Erb subsequently became registered with two other FINRA member firms until May 2014. Although Erb has not thereafter been associated with another FINRA member, FINRA retains jurisdiction over him pursuant to Article V, Section 4 of the FINRA By-Laws.

OVERVIEW

Between July 2012 and January 2013, Erb (i) forged and photocopied supervisor and customer signatures on various documents, in violation of FINRA Rules 4511(a) and 2010; (ii) misrepresented or omitted material information within investment purchase forms Erb prepared for eight customers, in violation of FINRA Rule 2010; and (iii) made an unsuitable recommendation to a customer, in violation of FINRA Rules 2111 and 2010.

FACTS AND VIOLATIVE CONDUCT

Forgery and Falsification of Documents

Between July 2012 and January 2013, Erb used photocopied signature pages to open three customer accounts and he also forged the signatures or initials of two additional customers in connection with two securities purchases. Although the customers authorized the transactions at issue, Erb did not have their permission to sign their names or initials or use photocopied signature pages. In addition to the foregoing, Erb photocopied the signature of his branch manager on supervisory approval forms in connection with the two securities purchases referenced above as well as 12 other unrelated securities purchases, thereby evading branch manager review of those transactions.

FINRA Rule 2010 requires associated persons to "observe high standards of commercial honor and just and equitable principles of trade." It is a violation of Rule 2010 for associated persons to sign another person's name to a document—even if the person otherwise agrees to the transactions contemplated by the documents—or submit falsified documents to their member firm. By forging or falsifying the signatures and/or initials of his customers and branch manager, Erb violated FINRA Rule 2010.

FINRA Rule 4511(a) provides "[m]embers shall make and preserve books and records as required under the FINRA rules, the Exchange Act and the applicable Exchange Act rules." FINRA member firms are required to maintain customer account forms and transaction-related paperwork. By forging account and transaction-related documents and submitting them to his firm to be maintained in its files, Erb violated FINRA Rules 4511(a) and 2010.

Material Misrepresentations and Omissions

From August to December 2012, Erb misrepresented or omitted material information to eight customers by inaccurately representing within purchase forms that the customers would incur no surrender charges, redemption fees, or costs for relinquishing their annuity contracts. In fact, the customers incurred surrender fees or penalties ranging approximately from \$3,000 to \$12,000.

By making the foregoing material misrepresentations and omissions, Erb violated FINRA Rule 2010.

Suitability

In November 2012, Erb recommended that a retired, 74-year old customer, GM, surrender two annuities and purchase approximately \$147,000 in an illiquid, non-traded REIT. Erb's recommendation was unsuitable because it was not consistent with GM's investment objective and risk tolerance and because it placed more than half of GM's liquid net worth in a single, high risk, alternative investment.

FINRA Rule 2111 requires associated persons to have a reasonable basis to believe that a recommended securities transaction is suitable for the customer, based on the customer's overall investment profile. By making a recommendation that was inconsistent with GM's investment profile, Erb violated FINRA Rules 2111 and 2010.

B. I also consent to the imposition of the following sanctions:

- An 18-month suspension from associating with any FINRA member in any capacity; and
- A fine of \$20,000

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 fine shall be due and payable either immediately upon reassociation with a member firm following the 18-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

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.

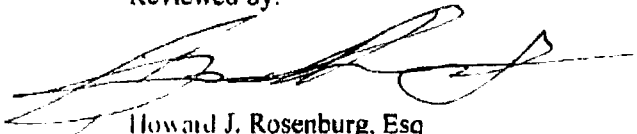
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute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

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 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.

6/1/2016
Date (mm/dd/yyyy)

Respondent Eric C. Erb

Reviewed by:

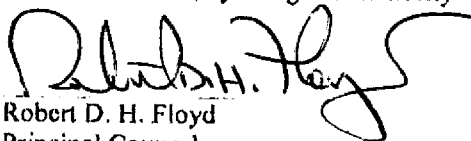


Howard J. Rosenberg, Esq
Counsel for Respondent Eric C. Erb
Kopecky Schumacher Bleakley Rosenberg PC
120 N. LaSalle St., Suite 2000
Chicago, Illinois 60602
(312) 380-6631

Accepted by FINRA:

MARCH 3, 2016
Date

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



Robert D. H. Floyd
Principal Counsel
FINRA Department of Enforcement
15200 Omega Drive, Suite 300
Rockville, Maryland 20850
(301) 258-8578 (direct phone)
(202) 721-7526 (direct facsimile)