

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2022075350101**

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

RE: Scott Eugene Buck (Respondent)  
General Securities Representative  
CRD No. 1374445

Pursuant to FINRA Rule 9216, Respondent Scott Eugene Buck 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**

Buck first entered the securities industry in 1985. From 1985 to September 2008, he was registered with FINRA through an association with several different member firms. In September 2008, Buck registered with FINRA as a General Securities Representative through his association with LPL Financial LLC. He remains registered with FINRA through his association with LPL.<sup>1</sup>

**OVERVIEW**

Between December 2018 and December 2020, Buck effected three unauthorized transactions in a customer's account to fund the customer's required minimum distributions, including one after the customer died, in violation of FINRA Rule 2010. In addition, from November 2019 to September 2021, Buck used an unapproved communication method, his personal cell phone, to communicate via text message with firm customers regarding firm-related business causing his firm to not preserve those communications, as required by Section 17(a) of the Securities Exchange Act of 1934 and Exchange Act Rule 17a-4(b)(4), in violation of FINRA Rules 4511 and 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).

## FACTS AND VIOLATIVE CONDUCT

This matter originated from another FINRA investigation related to trading in deceased customer accounts by other representatives.

### **Buck placed three unauthorized trades in one customer's account.**

Unauthorized trading occurs when a registered representative places a trade in a customer's account without the customer's prior authorization or consent. FINRA Rule 2010 provides that, "[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade." Unauthorized trading is a violation of FINRA Rule 2010.

Between December 2018 and December 2020, Buck effected three transactions in a customer's brokerage account to fund the customer's required minimum distributions without first obtaining the customer's authorization, including one after the customer died. Buck effected the trades in December of each year. The trades included sales of mutual fund positions, which totaled approximately \$44,000. Buck did not earn any commissions on the trades. Buck learned of the customer's death after placing the third trade in December 2020. In July and August 2021, Buck falsely indicated to the firm that he had attempted to reach the customer on the day of that trade.

By effecting the three above-described trades, Respondent violated FINRA Rule 2010.

### **Buck caused LPL to fail to maintain required books and records.**

FINRA Rule 4511 requires members to "make and preserve books and records as required under FINRA rules, the Exchange Act and the applicable Exchange Act rules." Exchange Act § 17(a) and Exchange Act Rule 17a-4(b)(4) require member firms to maintain for a period of not less than three years all communications, including text messages, sent or received by the member relating to the member's business. A registered representative who causes his member firm to fail to comply with this recordkeeping obligation violates FINRA Rules 4511. A violation of FINRA Rule 4511 also constitutes a violation of FINRA Rule 2010.

At all relevant times, LPL's policies and procedures prohibited registered representatives from communicating about firm-related business using personal text messages. From November 2019 to September 2021, Buck used his personal cell phone to exchange nearly 100 text messages with 17 LPL customers about firm-related business, including securities recommendations and orders. Because the text messages were not exchanged on an approved firm platform, they were not captured or retained by the firm. In June 2023, without being asked to do so, Buck provided all of his text messages with customers to LPL.

In October 2020, Buck falsely responded "yes" to a question on the firm's annual compliance questionnaire that asked whether all of his investment, financial or insurance related electronic communications were exchanged using his firm-approved email.

By using an unapproved method for communicating with firm customers, Respondent violated FINRA Rules 4511 and 2010.

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

- a two-month suspension from associating with any FINRA member in all capacities and
- a \$7,500 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 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.

July 16, 2024

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Date

*SCOTT BUCK*

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Scott Eugene Buck  
Respondent

Reviewed by:

*Ben A. Indek*

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Ben Indek  
Ariel Gursky  
Counsel for Respondent  
Morgan, Lewis & Bockius LLP  
101 Park Avenue  
New York, NY 10178-0060

Accepted by FINRA:

July 22, 2024

\_\_\_\_\_  
Date

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

*Catherine Moore*

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Catherine Moore  
Counsel  
FINRA  
Department of Enforcement  
9509 Key West Ave.  
Rockville, MD 20850