

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2014042004001**

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

**RE:** Robert Kevin Connors, Respondent  
General Securities Representative  
CRD No. 1365861

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 Robert Kevin Connors entered the securities industry in March 1985, and has been registered with nine firms. He has held General Securities Representative (Series 7) and State Law (Series 63) licenses. Connors was registered with Gilford Securities Inc. from December 10, 2012 until July 18, 2014, when his registration was terminated based on the customer loan described herein.

Although Connors is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding pursuant to Article V, Section 4 of FINRA's By-Laws because this AWC (1) is being issued within two years after the date upon which he ceased to be registered with a FINRA member, namely July 18, 2014, and (2) charges him with misconduct committed while he was registered with a FINRA member.

## FACTS AND VIOLATIVE CONDUCT

In late December 2012 and early January 2013, Connors participated in a private securities transaction without disclosing his participation to his firm or obtaining the firm's permission to do so. He told an individual with whom he was acquainted about a potential investment in an entity managed by a former colleague of Connors. Connors vouched for his former colleague, arranged for the two people to meet, and participated in a meeting between them in early January 2013. On or about January 14, 2013, the individual referred by Connors invested \$375,000 in the entity in a transaction involving securities.

NASD Rule 3040(a) (which was superseded by FINRA Rule 3280 on September 21, 2015) prohibited an associated person from participating in any manner in a private securities transaction without first notifying his or her member firm about the terms of the proposed transaction and the associated person's role in it. Connors failed to notify Gilford Securities about his participation in this transaction, thereby violating NASD Rule 3040.

In addition, Connors sought and obtained a loan from a customer during January 2013. The former colleague referred to above opened an account with Connors at Gilford Securities on January 11, 2013. On January 22, 2013, Connors borrowed \$200,000 from the former colleague.

FINRA Rule 3240 prohibits registered persons from borrowing money from any customer unless the employing member firm has written procedures allowing borrowing from customers. If a firm's written procedures permit borrowing from a customer, FINRA Rule 3240 requires that the firm pre-approve the borrowing arrangement in writing. The loan obtained by Connors from his clients was not permitted under Gilford Securities' procedures, and Connors did not disclose the loan to the firm or seek its approval to enter into the loan. Therefore, Connors violated FINRA Rule 3240.

\* \* \*

By virtue of this conduct, Connors violated NASD Rule 3040 and FINRA Rule 3240. By violating those provisions, he also violated FINRA Rule 2010.

- B. I also consent to the imposition of the following sanctions:
1. a three-month suspension from association with any FINRA member firm in all capacities; and
  2. a \$10,000 fine.

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

The fine shall be due and payable either immediately upon reassociation with a member firm following the three-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 sanction imposed in this matter.

I understand that if I am 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 suspension (see FINRA Rules 8310 and 8311).

## 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 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 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.

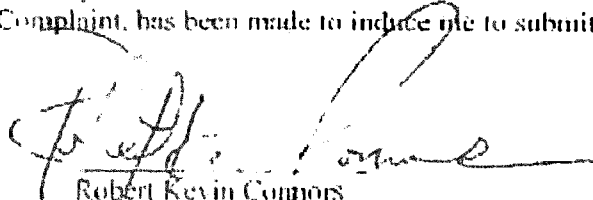
#### OTHER MATTERS

I understand that:

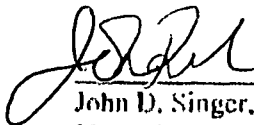
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will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

Feb 16<sup>th</sup> 2016  
Date

  
Robert Kevin Connors  
Respondent

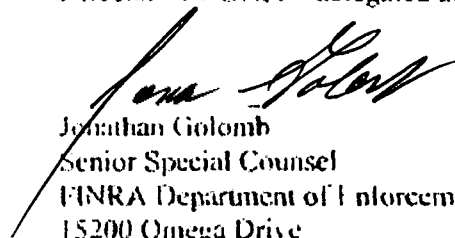
Reviewed by:

  
John D. Singer, Esq.  
Singer Deutsch LLP  
555 Fifth Avenue, 17<sup>th</sup> Floor  
New York, NY 10017  
(212) 682-4224

Accepted by FINRA:

Mar. 14, 2016  
Date

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

  
Jonathan Golomb  
Senior Special Counsel  
FINRA Department of Enforcement  
15200 Omega Drive  
Rockville, MD 20837