

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2013037724801**

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

RE: Elizabeth Irene Symons, Respondent  
Registered Representative  
CRD No. 2569248

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Elizabeth Irene Symons ("Symons" or "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**

Symons first entered the securities industry in 1994. From March 1, 2004 to July 15, 2013, Symons was associated with FINRA member firm Legend Equities Corporation ("Legend" or "Firm"), where she maintained the following registrations: Investment Company Products/Variable Contracts Representative (Series 6), Investment Company Products/Variable Contracts Limited Principal (Series 26), Investment Advisor (Series 65), and State Agent (Series 63). Legend terminated her registration by Form U5 filed on July 19, 2013 after receiving documentation that Symons was involved in an unapproved OBA. Symons was subsequently associated with another member firm, where she is currently employed.

**RELEVANT DISCIPLINARY HISTORY**

Symons has no relevant disciplinary history.

## **OVERVIEW**

From January 2011 to December 2011, while Symons was associated with Legend, she engaged in an outside business activity ("OBA") remodeling a Firm customer's home. Symons took a lead role in the remodel, hiring and paying contractors, tracking expenses, and purchasing furniture and accessories. During the remodel, Symons took steps to form a remodeling business, complete with a name -- Home Designs by Elizabeth -- business cards and an email address. On two annual disclosures to the Firm during and immediately after the OBA, Symons failed to provide the Firm with written notice of these activities. By failing to give the requisite prior notice to the Firm, Symons violated FINRA Rules 3270 and 2010.

## **FACTS AND VIOLATIVE CONDUCT**

### **Symons' Relationship with Customer**

Symons has been the registered representative for customer RJ and his family, sister SJ and mother JJ (collectively, the "J Family"), since September 1999. In addition to acting as their broker, Symons assisted members of the J Family with activities outside the scope of her professional relationship with the J Family.

### **Decision to Remodel**

In December 2010, JJ, while visiting Symons at her house, expressed an interest in upgrading the home where the J Family lived. After meeting with a realtor and looking at potential homes to purchase, the J Family decided to remodel their home. Symons, who had recently remodeled her home, was asked to help.

### **Remodeling the J Family Home**

In January 2011, the remodeling process began. Symons played the lead role in the process. She met with, and hired, the lead contractors as well as some subcontractors including her son, who was not currently employed and was retained to do electrical work though he was not licensed. She worked with the J Family in picking out all furniture and accessories. Symons also oversaw all payments for work and materials, keeping track of all expenses and payments. Payments were made by Symons filling out all the information on RJ's checks and having RJ simply sign them. Approximately half of the money RJ used to fund the remodeling job came from his securities account, for which Symons was the broker of record.

Symons spent a considerable amount of time on the remodel. By Symons' own

estimate, she spent more than 400 hours in 2011 overseeing the J Family remodel. She typically came to the J Family home after the market closed in the early afternoon to handle all remodeling issues, coordinate additional work, and purchase furniture and other accessories.

#### Steps to Create a Business

Early in the process, Symons took steps to create a remodeling business. In early February 2011, she set up a gmail account titled [homedesignsbyelizabeth@gmail.com](mailto:homedesignsbyelizabeth@gmail.com) for all correspondence with contractors, subcontractors and to keep track of purchases. She also spent several weeks working with a graphics designer to help design business cards. The front of the cards had the business name "Home Designs by Elizabeth," with the motto "for a home you want to live in." "Home Designs by Elizabeth" had a trademark symbol by the name but there is no evidence the business was ever registered with the state or that Symons worked on any remodeling jobs other than the J Family's. The card included her newly created email address and listed her title as "Contractor Coordinator/Designer." In at least one email to a third party, she identified herself as the Contractor Coordinator/Designer for the J Family home remodel. The back of the card had blank spaces for recipients to fill in as a reminder for appointments.

#### Failure to Timely and Accurately Notify Legend

FINRA Rule 3270 provides, in relevant part, that "no registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated, or have the reasonable expectation of compensation from any other person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to the member, in such form as specified by the member."

#### Firm Policies and Procedures – Outside Business Activities

Consistent with FINRA Rule 3270, Legend's Compliance Manual, dated March, 2011, required prior written approval from the Firm before engaging in any OBAs. Legend's policies specifically stated that: "A registered representative may not be an employee, independent contractor, sole proprietor, officer, director, or partner of another person, or be compensated, or have the reasonable expectation of compensation, from any other person as a result of any business activity outside the scope of his/her relationship with the Firm, unless he/she has provided prior written notice to the compliance department." The Firm also required annual disclosure of all OBAs.

While working on the J Family remodel and taking steps to create a remodeling business, Symons filled out two separate disclosures – on May 3, 2011 and April

3, 2012 -- listing all OBAs in which she was involved. Though she had disclosed other OBAs, Symons failed to disclose the existence of her remodeling activities. Since Symons failed to provide prior written notice to Legend regarding her OBA relating to her remodeling activities, Symons violated FINRA Rule 3270 and 2010.

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

1. A suspension from association with any FINRA member in any capacity for a period of 30 days; and
2. A fine of \$5,000.

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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 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.

## 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 response to public inquiries about my disciplinary record;
  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.

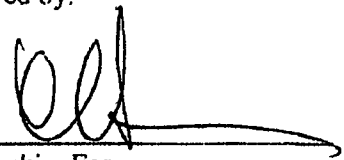
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute 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.

Dec. 03, 2014  
Date (mm/dd/yyyy)

  
Elizabeth Irene Symons, Respondent

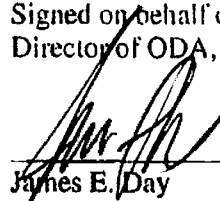
Reviewed by:

  
Alan Baskin, Esq.  
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Accepted by FINRA:

12/10/04  
Date

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



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