

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2013037749001**

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

RE: Brian James DeVinney, Respondent
General Securities Representative
CRD No. 3052178

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Brian James DeVinney ("DeVinney") 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 him alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. DeVinney 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, 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

DeVinney entered the securities industry in April 1998 and obtained his Series 6 - Investment Company Products/Variable Contracts Representative and Series 63 - State Agent securities licenses in 1998. Beginning in March 2004, DeVinney was a registered representative with five FINRA regulated broker dealers leading up to his employment as a registered representative with Legend Equities Corporation ("Legend" or the "Firm") in October 2011.

On July 25, 2013, Legend filed a Uniform Termination Notice for Securities Industry Registration ("Form U-5") reporting DeVinney's termination. The Form U-5 stated, "Firm has found evidence that suggests registered representative has been engaged in an undisclosed outside business activity. Firm has elected to terminate registered representative's registrations."

DeVinney has not been associated with a FINRA regulated broker-dealer since July 25, 2013. Pursuant to Article V, Section 4 of FINRA's By-Laws, DeVinney remains subject to FINRA's jurisdiction until July 24, 2015.

RELEVANT DISCIPLINARY HISTORY

DeVinney has no prior disciplinary history in the securities industry.

OVERVIEW

During the period September 2012 through July 2013, while associated with Legend, DeVinney engaged in two unapproved outside business activities, one involving the distribution of fixed and fixed index annuities and life insurance, and another the distribution and sale of insurance products, including but not limited to Medicare Advantage¹ plans. DeVinney received approximately \$25,330 in compensation for these unapproved activities. DeVinney failed to provide prompt written notice to Legend to engage in these outside activities, as required by FINRA Rule 3270.

By engaging in these unapproved outside business activities, DeVinney violated FINRA Rules 3270 and 2010.

DeVinney also made false and misleading written statements to FINRA in response to requests for information pursuant to FINRA Rule 8210 in connection with his outside business activities

By making false and misleading statements to FINRA, DeVinney violated FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

Outside Business Activity

FINRA Rule 3270 prohibits any person associated with a FINRA regulated broker-dealer from being an employee, independent contractor, sole proprietor, officer, director or partner of another person, or being compensated, or having 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."

¹ A Medicare Advantage Plan is a type of Medicare health plan offered by a private company that contracts with Medicare to provide a purchaser with Part A and Part B benefits.

FINRA Rule 2010 requires all associated persons to observe high standards of commercial honor and just and equitable principles of trade.”

Between September 2012 and June 2013, DeVinney was employed as a Regional Vice President of MFO”), a registered investment advisory firm, which also distributed products and services to financial professionals. DeVinney’s duties were to distribute fixed and fixed index annuities and life insurance to financial advisors and/or insurance agents. DeVinney received approximately \$23,690 in compensation from MFO for these unapproved activities while employed by Legend.

Between July 8, 2013 and July 25, 2013, DeVinney was also employed by GSNI, a company which markets insurance products, including but not limited to Medicare Advantage plans, to independent agents and agencies, and sells Medicare Advantage plans directly to the public. DeVinney duties at this company included general office work, recruiting agents to sell Medicare Advantage products and selling Medicare Advantage products to the public directly. DeVinney sold one Medicare Advantage product while employed by Legend. DeVinney received approximately \$1,640 in compensation from GSNI for these unapproved activities while employed by Legend.

The Firm’s policies and procedures required its registered representatives to provide prompt written notice disclosing all outside business activities. The Firm reminded DeVinney through Outside Business Activities Disclosure questionnaires of this obligation. DeVinney failed to disclose to Legend his outside business activities at MFO or GSNI, or the compensation he received for those unapproved activities.

DeVinney violated FINRA Rules 3270 and 2010 by failing to provide prompt written notice to Legend of his outside business activities at MFO and GSNI, and his receipt of approximately \$25,330 in compensation for these unapproved outside business activities.

False and Misleading Written Statements to FINRA

FINRA Rule 8210 requires that, for the purpose of an investigation, among other things, “a member, person associated with a member, or any other person subject to FINRA’s jurisdiction to provide information...with respect to any matter involved in the investigation, complaint, examination, or proceeding.” Providing false information to FINRA in connection with an investigation violate FINRA Rules 8210 and 2010.

Pursuant to FINRA Rule 8210, FINRA sent a written request to DeVinney, dated August 23, 2013 (the “August 2013 Letter”), requesting DeVinney provide information regarding compensation received in connection with and approval of his outside business activities.

Compensation

The August 2013 Letter inquired whether DeVinney had received any compensation relating to any outside business activity.

In his September 4, 2013 response to Enforcement (the "September 2013 Response"), DeVinney stated that he did not receive any compensation relating to an outside business activity before 7/25/2013. In January 2014, DeVinney submitted to Enforcement documents demonstrating that he received approximately \$25,330 in compensation from MFO and GSNI, his two unapproved outside business activities prior to July 25, 2013 and proving this statement by DeVinney to be false.

Approval

Enforcement's August 2013 Letter also inquired whether DeVinney had ever sought approval for an outside business activity.

In his September 2013 Response to Enforcement, DeVinney stated that he had disclosed to Legend his outside business activity selling Medicare Advantage products, and that the disclosure had been confirmed to him by a Legend Compliance Administrator. The Firm's records and a statement obtained from the Compliance Administrator demonstrate these statements by DeVinney to be false. The Compliance Administrator merely confirmed that DeVinney had submitted the Firm's disclosure documents by the Firm's due dates, not that DeVinney had disclosed his outside business activities at MFO or GSNI. In fact, DeVinney falsely indicated to Legend that he had no outside business activities on the disclosure questionnaires he completed in December 2012 and January 2013.

DeVinney violated FINRA Rules 8210 and 2010 by making false and misleading statements in response to FINRA requests for information regarding his outside business activities.

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

- a. A 14 month suspension from associating with any FINRA registered broker-dealer in any capacity; and
- b. A fine of \$15,000.

DeVinney understands that if he is barred or suspended from associating with any FINRA member, he 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, DeVinney 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 14 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.

DeVinney specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

DeVinney specifically and voluntarily waives 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, DeVinney specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, 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.

DeVinney 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.

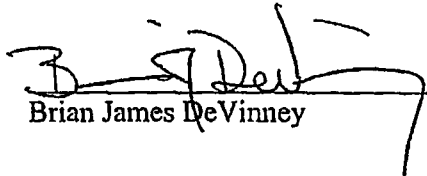
OTHER MATTERS

DeVinney 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 him; and
- C. If accepted:
 - 1. this AWC will become part of his permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
 - 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. DeVinney 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. DeVinney 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. DeVinney may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. DeVinney 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 or its staff.

DeVinney 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; that he has 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 him to submit it.

06/27/2014
Date (mm/dd/yyyy)


Brian James DeVinney

By: _____

Accepted by FINRA:

7/7/14
Date

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


Richard Chin
Chief Counsel
FINRA Department of Enforcement
One World Financial Center, 11th Floor
New York, NY 10281-1003
Tel. 646-315-7322
Fax: 202-689-3415