

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 20130391104**

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

RE: Allan Jeffrey Corby, Respondent  
General Securities Representative  
CRD No. 729285

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Allan Jeffrey Corby ("Corby") 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 Corby alleging violations based on the same factual findings described herein.

**I.**

**ACCEPTANCE AND CONSENT**

- A. Corby 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 or any issue of law or fact, to the entry of the following findings by FINRA:

**BACKGROUND**

Corby entered the securities industry in 1990 when he joined a subsidiary of Connecticut Mutual Life Insurance Co.. He remained with Connecticut Mutual Life Insurance Co. and its successor firms until December 2006, when he joined AXA Advisors. He remained with AXA Advisors until September 2009 when he joined Equity Services Inc ("ESI"), a FINRA regulated entity.

In a Uniform Termination Notice for Securities Industry Registration dated November 15, 2013, ESI reported that Corby's employment was terminated on October 23, 2013, because of his involvement in an outside business that was inconsistent with previous representation to the firm. Corby's registration terminated on November 15, 2013.

Corby is not currently associated with a FINRA-regulated entity. However, pursuant to Article V. Section 4 of FINRA's By-Laws, FINRA retains jurisdiction over Corby until at least November 15, 2015.

## RELEVANT DISCIPLINARY HISTORY

Corby has no relevant disciplinary history.

## OVERVIEW

Between October 2009 and October 2010, Corby failed to provide written notice to ESI that he was a partner in an outside business called The Petraeus Group ("TPG"). In October 2010, Corby provided notice to the Firm that he was engaging in an outside business with TPG, which he described as a non-securities related tax and consulting service. However, TPG also raised capital and debt for startups and existing businesses. Corby did not provide notice to ESI of these additional activities until at least September 2011. As a result, Corby violated: (1) NASD Rule 3030 and FINRA Rule 2010 by failing to disclose TPG to the Firm between October 2009 and December 14, 2010; and (2) FINRA Rules 3270 and 2010 by failing to fully disclose the nature of TPG's business to the Firm between December 15, 2010 and at least September 2011.

## FACTS AND VIOLATIVE CONDUCT

NASD Rule 3030<sup>1</sup> prohibits "any person associated with a member firm from being 'employed by, or accept[ing] compensation from, any other person as a result of any business activity, other than a passive investment, outside the scope of his relationship with his employer firm, unless he has provided prompt written notice to the member.'"<sup>2</sup> Therefore, a violation of NASD Rule 3030 also is a violation of NASD Rule 2110.<sup>3</sup>

FINRA Rule 3270 provides that "[n]o 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 written notice to the member, in such form as specified by the member." A violation of FINRA Rule 3270 is also a violation of FINRA Rule 2010, which requires members to "observe high standards of commercial honor and just and equitable principles of trade."

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<sup>1</sup> NASD Rule 3030 was in effect for the period ending December 14, 2010, and FINRA Rule 3270 applies for the period beginning December 15, 2010. Reg. Notice 10-49. NASD Rule 2110 was in effect for the period ending December 14, 2007, and FINRA Rule 2010 applies for the period beginning December 15, 2008. Reg. Notice 08-57. Because the subject misconduct took place during 2004 and 2005, NASD Rules 3030 and 2110 apply.

<sup>2</sup> *DOE v. Houston*, Compl. No. 2006005318801, 2010 FINRA Discip. LEXIS 39, at \*15 (N.A.C. Dec. 22, 2010) (affirming hearing panel's finding that respondent, who had failed to disclose his trustee activities, among other things, had violated NASD Rules 3030 and 2110).

<sup>3</sup> See *DOE v. Schneider*, Comp C10030088, 2005 NASD Discip. LEXIS 6, at \*17 n.7 (N.A.C. Dec. 7, 2005) citing *Stephen J. Gluckman*, 54 S.E.C. 175, 185 (1999) (stating that violation of an NASD rule also violates Conduct Rule 2110).

### Firm Policies and Procedures – Outside Business Activities

The Firm's policies and procedures required its registered representatives to disclose to the Firm, in writing, any outside business activity prior to engaging in such activity. Upon receipt of the notification of outside business activities, the Firm issued a written letter reflecting its approval or disapproval of the requested activity. The Firm's registered representatives were also prohibited from receiving compensation from activities rendered outside the scope of their employment with the Firm, and from serving as a consultant to any business entity other than the Firm, without obtaining prior written approval.

### Corby's Outside Business Activity with The Petraeus Group

In October 2009, Corby became a partner with TPG, but failed to disclose his association with the company. In October 2010, Corby submitted to the Firm a written request to participate in TPG as an outside business activity. In the request Corby stated that he would provide accounting and insurance services to prospective customers. Based upon this representation, in or around October 2010, ESI approved Corby's request.

In September 2011, the Firm discovered that Corby was identified as a partner on TPG's website. The website, stated that TPG offered "Investment Strategies, Financial Planning, Capital/Debt Raising, and Investment Opportunities" among its services. Corby did not provide notice to ESI that TPG engaged in financial planning capital/debt raising or other investment-related activities

Corby violated NASD Rule 3030 and FINRA Rule 2010 by: (1) failing to disclose TPG to the Firm between October 2009 and December 14, 2010; and (2) FINRA Rule 3270 by failing to fully disclose the nature of TPG's business to the Firm between December 15, 2010 and at least September 2011.

B. Corby consents to the imposition of the following sanctions:

- A five month suspension from associating with any FINRA-regulated entity in any capacity; and
- a fine of \$5,000.

The fine shall be due and payable either immediately upon reassociation with a member firm following the five-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(s) 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.**

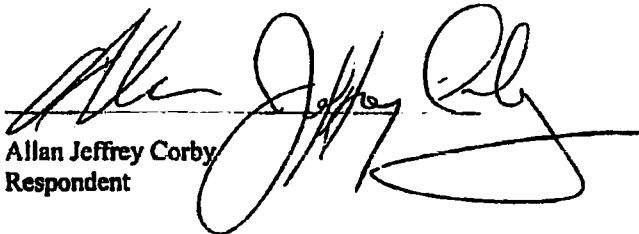
#### **OTHER MATTERS**

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 this 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 [the Firm] to submit it.

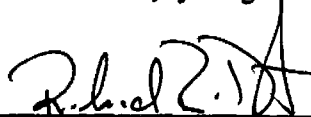
12/11/2014  
Date (mm/dd/yyyy)

  
Allan Jeffrey Corby  
Respondent

Accepted by FINRA:

1.13.15  
Date

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

  
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Richard Best  
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