

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2014043670301**

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

RE: Clifford Morgan, Respondent
Former Registered Representative
CRD No. 4749706

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 Clifford D. Morgan first entered the securities industry in January 2004 and has held registrations as an Investment Company and Variable Contracts Products Representative, a State Securities Agent, and a General Securities Representative. Between January 2007 and December 2014, Morgan was associated with Uhlmann Price Securities ("Uhlmann Price" or the "Firm"). On December 5, 2014, Uhlmann Price filed a Form U5 reporting that Morgan had been "permitted to resign," with the explanation that the "registered representative participated in private securities transactions in conflict with firm policies."

Although Morgan has not thereafter been associated with another FINRA member, FINRA retains jurisdiction over him pursuant to Article V, Section 4 of the FINRA By-Laws.

OVERVIEW

Between November 2011 and December 2014, while associated with Uhlmann Price, Morgan participated in private securities transactions without providing the required notice to the Firm, thereby violating NASD Rule 3040 and FINRA Rule 2010.

During the course of those private securities transactions, Morgan made material misrepresentations to Firm customers, thereby violating FINRA Rule 2010.

During the same period, Morgan participated in numerous outside business activities without providing the required notice to the Firm, thereby violating FINRA Rules 3270 and 2010.

Additionally, during the course of FINRA's investigation, Morgan failed to fully and timely comply with FINRA's requests for information made pursuant to FINRA Rule 8210, thereby violating FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

Private Securities Transactions

Between September 2013 and August 2014, Morgan referred approximately 20 people, including six Firm customers, to an investment in promissory notes in Company A, a private trading and financial services company. In connection with the referrals, Morgan participated in meetings and telephone calls regarding the promissory notes offered, provided marketing materials to the investors, and answered investors' questions regarding the offering.

Morgan's referrals purchased a total of approximately \$1.8 million of Company A's promissory notes, while Morgan personally purchased more than \$200,000 of the notes. Morgan failed to provide written notice to the Firm of these transactions.

In addition to the Company A promissory notes, Morgan participated in two additional private securities transactions. In March 2012, Morgan solicited one Firm customer to invest \$25,000 in return for an equity stake in Company B, a corporate entity of which Morgan was a member. And in May 2013, Morgan referred a different Firm customer to invest in Company C. Based on Morgan's referral, that customer invested \$30,000 in a convertible promissory note. All of the transactions described herein were conducted away from the Firm. Morgan failed to provide written notice to the Firm of these transactions.

In relevant part, NASD Rule 3040 prohibits associated persons from participating in any manner in a private securities transaction without providing prior written notice to his or her member firm. By failing to provide written notice to his firm

prior to participating in the above transactions, Morgan violated NASD Rule 3040 and FINRA Rule 2010.

Material Misrepresentations

In connection with his referrals to Company A, Morgan made material misrepresentations and omissions by forwarding to potential investors, including Firm customers, a document created by Company A that contained multiple misrepresentations, including (1) falsely stating that the company had completed four deals; (2) overstating its revenue; and (3) inaccurately projecting a high return with low risk.

FINRA Rule 2010 requires that a registered representative observe high standards of commercial honor and just and equitable principles of trade. By forwarding to potential investors, including Firm customers, a document created by Company A that contained multiple misrepresentations, Morgan made material misrepresentations and violated FINRA Rule 2010.

Undisclosed Outside Business Activities

Between 2011 and December 2014, while associated with Uhlmann Price, Morgan was involved in the following outside business activities without providing prior written notice to the Firm:

(1) as part of his business dealings with Company A, Morgan was appointed as an advisor to Company D, subject to a consulting agreement specifying that Morgan would receive compensation; (2) also in connection with Company A, Morgan was involved in the formation of Company E and opened a bank account for the LLC that both Morgan and another individual could access; (3) Morgan conducted business for Company F, from which his company received \$60,000; (4) with two business partners, Morgan formed Company G that listed Morgan's address as its place of business; (5) Morgan and a business associate formed Company H for which Morgan was the registered agent; (6) Morgan and a business associate formed Company I to make oil and gas investments; (7) Morgan and another individual formed Company J, a non-profit entity, for which Morgan served as Treasurer and the entity listed Morgan's address as its place of business; and (8) Morgan was a founding member of Company B and signed loan agreements on behalf of the entity, which sold equity interests.

Morgan failed to provide written notice to his firm disclosing his participation in the above activities.

FINRA Rule 3270 prohibits associated persons from engaging in a 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. By failing to disclose to his firm his participation in the above-listed entities, Morgan violated FINRA Rules 3270 and 2010.

Failure to Comply with Rule 8210 Requests

Between December 2014 and July 2015, FINRA staff sent Morgan five requests for documents and information pursuant to FINRA Rule 8210. Morgan failed to respond in a timely or complete manner to certain of the requests. Specifically, Morgan sent incomplete responses that ranged from 29 days to 83 days past the deadlines.

Morgan's failure to provide information in a timely and complete manner hindered FINRA's investigation and caused FINRA staff to issue Morgan seven deficiency letters. It also required the staff to schedule a second on-the-record interview, pursuant to Rule 8210, ultimately set for September 18, 2015, to address documents that Morgan failed to produce prior to his initial on-the-record interview.

By failing to fully and timely comply with FINRA's requests, Morgan violated FINRA Rules 8210 and 2010.

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

A bar from associating with any FINRA member in any capacity.

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. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

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

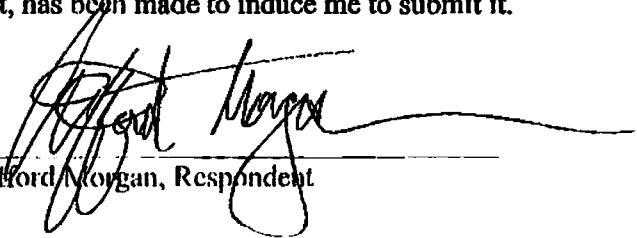
I understand that:

- 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

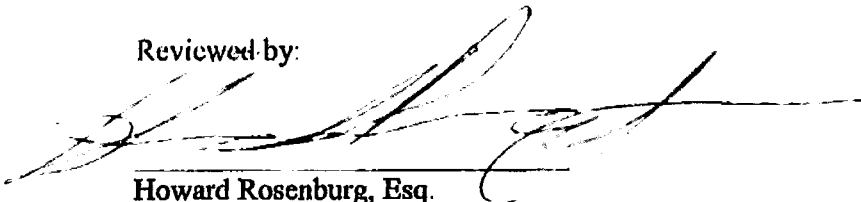
indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

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.

18 October 2015
Date


Clifford Morgan, Respondent

Reviewed by:

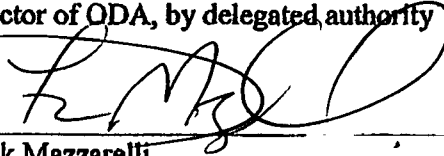


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Counsel for Respondent Clifford Morgan

Accepted by FINRA:

10/29/15
Date

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



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