

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20150440379 01**

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

RE: Gregory Walter McCloskey, Respondent
General Securities Representative
CRD No. 2820510

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Gregory Walter McCloskey ("McCloskey"), 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

McCloskey became registered with FINRA as a General Securities Representative ("GSR") through an association with a member firm in February 1997. From 1997 until December 2007, he was registered as a GSR through eight FINRA member firms. Between December 2007 and July 2016, he was registered as a GSR with former FINRA member Newport Coast Securities, Inc. (BD No. 16944) (the "firm" or "Newport Coast"). In July 2016, he became registered as a GSR through a different member firm, where he remains employed today.

RELEVANT DISCIPLINARY HISTORY

McCloskey has no disciplinary history with the Securities and Exchange Commission, FINRA, any other self-regulatory organization or any state securities regulator.

OVERVIEW

Between 2008 and 2010, while associated with Newport Coast, McCloskey

participated in a series of private securities transactions without the knowledge or consent of his firm. Specifically, McCloskey personally invested \$50,000 in CW, a lighting and energy networking company, without Newport Coast's approval. Additionally, McCloskey introduced two of his customers to CW and they invested a total of \$50,000. This conduct violated NASD Rules 3040 and 2110 and FINRA Rule 2010.¹

FACTS AND VIOLATIVE CONDUCT

NASD Rule 3040(b) states that "[p]rior to participating in any private securities transaction, an associated person shall provide written notice to the member with which he is associated describing in detail the proposed transaction and the person's proposed role therein and stating whether he has received or may receive selling compensation in connection with the transaction." A private securities transaction is defined as "any securities transaction outside the regular course or scope of an associated person's employment with a member."

In February 2008, McCloskey invested \$50,000 in CW. In addition, between 2009 and 2010, McCloskey introduced two firm customers to CW without providing written notice to or receiving approval from Newport Coast to engage in such activity. Each of the customers invested \$25,000 in CW. McCloskey did not receive any selling compensation.

As a result of the foregoing, McCloskey violated NASD Rules 3040 and 2110 and FINRA Rule 2010.

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

- A suspension from association with any FINRA member in any and all capacities for 15 business days; and
- A \$5,000 fine.

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

¹ Effective December 15, 2008, NASD Rule 2110 was renumbered FINRA Rule 2010.

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;
- 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.

February 10, 2017
Date (mm/dd/yyyy)


Respondent Gregory Walter McCloskey

Reviewed by:



Counsel for Respondent

Neil S. Baritz

Baritz & Colman LLP

1075 Broken Sound Parkway, NW, Suite 102

Boca Raton, Florida 33487

Telephone: 561.864.5100

Accepted by FINRA:

May 1, 2017

Date

Signed on behalf of the

Director of ODA, by delegated authority



Matthew Minerva

Principal Regional Counsel

FINRA, District 10

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**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

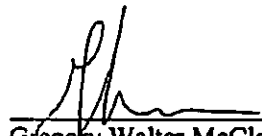
Department of Enforcement,	:	
Complainant,	:	
v.	:	Letter of Acceptance, Waiver & Consent
Gregory Walter McCloskey	:	No. 20150440379
(CRD No. 2820510),	:	
Respondent.	:	
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**RESPONDENT GREGORY MCCLOSKEY'S
STATEMENT OF CORRECTIVE ACTION**

I began working in the securities industry in 1997 and to date, have run a complaint business, without a single negative mark on my license. In addition, I also maintain a Certified Financial Planner designation.

Since first learning of the initiation of FINRA's investigation which led to this action, I have taken corrective steps to avoid future regulatory issues or concerns by further educating myself with respect to both industry and broker dealer applicable rules, policies and procedures and in addition, taken steps to create and maintain a written record with respect to all of my activities.

Dated: April 5, 2017



Gregory Walter McCloskey
(CRD No. 2820510)

This Statement of Corrective Action is submitted by Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.