

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015044129701**

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

RE: Randy Warren Burke, Respondent
Registered Representative
CRD No. 2702441

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 Randy Warren Burke ("Burke") first became registered with FINRA on February 7, 1996 as an Investment Company Products/Variable Contracts Representative (Series 6). Burke registered with FINRA through Synergy Investment Group, LLC ("Synergy") on February 15, 2002. On August 6, 2003, Burke became registered as a General Securities Representative (Series 7). On April 4, 2011, Burke's registration with Synergy was terminated. Thereafter, on April 5, 2011, Burke registered with Capital Investment Group, Inc. ("CIG"). On September 3, 2013, Burke became registered as a General Securities Principal (Series 24). On September 11, 2013, Burke's registration with CIG was terminated. Burke next registered with FINRA through Calton & Associates, Inc. ("Calton") on September 6, 2013. Burke is currently registered with Calton.

OVERVIEW

Between February 2008 and May 2011, while registered with member firms Synergy and CIG, Burke participated in private securities transactions without first providing notice to his employer member firms, thereby violating NASD Rule 3040 and NASD Rule 2110 (during the period February 2008 through December 14, 2008) and successor FINRA Rule 2010 (during the period December 15, 2008 through May 2011).

Between February 2008 and June 2013, while registered with Synergy, CIG, and Calton, Burke made material misrepresentations and omissions in connection with the sale of private securities in violation of Securities Exchange Act Section 10(b), Exchange Act Rule 10b-5, NASD Rules 2120 and 2110 (during the period February 2008 through December 14, 2008), and successor FINRA Rules 2020 and 2010 (during the period December 15, 2008 through June 2013).

In June 2011, Burke improperly used customer funds in violation of FINRA Rules 2150(a) and 2010.

During the period August 2009 through January 2012, Burke failed to disclose in writing his involvement in an outside business activity, thereby violating NASD Rule 3030 (during the period August 2009 through December 14, 2010) and its successor rule, FINRA Rule 3270 (during the period December 15, 2010 through January 2012) and FINRA Rule 2010.

Finally, in 2008, 2009, 2012 and 2013, Burke provided false answers in response to Synergy and CIG annual certifications regarding his participation in private securities transactions and his involvement in an outside business activity, thereby violating NASD Rule 2110 and successor rule FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

In October 2007, Burke filed the articles of incorporation for his outside business, Lodge Alaska, LLC, with the State of Alaska. Lodge Alaska, LLC was created by Burke for the purpose of obtaining an Alaskan business license. Lodge Alaska, LLC was a management company, which never owned any assets or property. In December 2007, Burke and his wife personally leased a lodge facility located in Alaska and conducted a lodge business in 2008 under the name Lodge Alaska. Following an unprofitable 2008 lodge season, Burke and his wife were unable to secure financing to purchase the Alaskan lodge property. In 2009, Burke and his wife personally entered into a share purchase agreement to purchase a separate lodge located in Canada. Burke and his wife operated the Canadian lodge at a loss in 2010 and 2011. Burke disclosed his involvement with the Alaskan and Canadian lodges to his former employer member firms, Synergy and CIG.

1. Private Securities Transactions in Lodge Alaska, LLC

NASD Rule 3040 prohibits registered representatives from participating “in any manner in a private securities transaction,” without first providing written notice to the registered representative’s firm and defines a private securities transaction as “any securities transaction outside the regular course of an associated person’s employment with a member [firm].”

On February 4, 2008 and April 9, 2009, elderly Synergy customer HJ made two \$25,000 investments in Lodge Alaska, LLC, each for a period of two years with an eight percent rate of return. Burke participated in both investments by recommending the investments to HJ, creating an investment confirmation statement for the February 2008 investment, depositing HJ’s investment funds into a Lodge Alaska, LLC bank account that he controlled, and providing HJ with Lodge Alaska, LLC monthly statements showing the principal investments, plus the accrued eight percent interest owed.

On May 16, 2011, HJ exchanged her 2008 and 2009 investments into 62,200.12 membership units of Lodge Alaska, LLC and also invested another \$38,407.37 in exchange for an additional 38,407.37 membership units. Burke participated in these transactions by recommending them to HJ, creating a Lodge Alaska, LLC investment confirmation statement, preparing a Lodge Alaska, LLC subscription agreement, and depositing HJ’s investment funds into a business banking account that he controlled.

Synergy and CIG both prohibited registered representatives from participating in private securities transactions without providing prior written notice of the transactions to the firm and obtaining firm approval. Burke did not provide written notice to, or obtain firm approval for the 2008, 2009, or 2011 investments described above.

By violating NASD Rule 3040, Burke also violated NASD Rule 2110 (during the period February 2008 through December 14, 2008) and its successor rule, FINRA Rule 2010 (during the period December 15, 2008 through May 16, 2011).

2. Misrepresentations and Omissions in connection with the Sale of Lodge Alaska, LLC Securities

Securities Exchange Act Section 10(b), Exchange Act Rule 10b-5, and NASD Rule 2120 and its successor rule, FINRA Rule 2020, prohibit intentional or reckless material misrepresentations or omissions in connection with the purchase or sale of a security.

During the period February 2008 through June 2013, while registered with Synergy and CIG, Burke failed to disclose to HJ the following relevant facts about her Lodge Alaska, LLC investments: (1) Burke and his wife owned Lodge

Alaska, LLC; (2) Lodge Alaska, LLC did not own any assets or property and was not a party to the Alaskan lease agreement or the Canadian share purchase agreement; and, (3) the operation and financing of both the Alaskan and Canadian lodges resulted in significant financial losses each operating year.

In addition, Burke represented to HJ that as a membership unit holder of Lodge Alaska, LLC, she would be entitled to a percentage of the profit from the future sale of the Canadian lodge property. This statement was false because Lodge Alaska, LLC was not a party to the share purchase agreement and never had an ownership interest in the Canadian lodge. Burke also represented to HJ that Lodge Alaska, LLC was raising up to one million dollars by selling membership units. This statement was false because no additional investors were solicited or invested in Lodge Alaska, LLC.

As a result of the foregoing conduct, Burke willfully violated Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934. Burke also violated NASD Rule 2120 (during the period February 2008 through December 14, 2008) and its successor, FINRA Rule 2020 (during the period December 15, 2008 through June 2013), and NASD Rule 2110 (during the period February 2008 through December 14, 2008) and its successor rule, FINRA Rule 2010 (during the period December 15, 2008 through June 2013).

3. Improper Use of Customer Funds

FINRA Rule 2150(a) provides that no member or person associated with a member shall make improper use of a customer's securities or funds. An associated person makes improper use of customer funds by failing to apply the customer's funds as directed by the customer.

As discussed above, on May 16, 2011, HJ invested \$38,407.37 in Lodge Alaska, LLC in exchange for a corresponding number of membership units. Burke represented, and HJ expected, that her investment funds were to be used for general lodge operating expenses. Burke deposited \$38,000 of the investment into a business checking account that he held jointly with his wife that was used for business and personal banking. However, following the deposit of HJ's investment funds into Burke's account, Burke's personal expenditures from the account exceeded his business-related expenditures, resulting in his use of a portion of the investment funds for personal expenses in June 2011.

By not using all of HJ's investment as directed, Burke violated FINRA Rules 2150(a) and 2010.

4. Failure to Provide Written Disclosure of an Outside Business Activity

NASD Rule 3030 and successor rule FINRA Rule 3270 generally provide that no registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated from any other person, as a result of any business activity outside the scope of the registered

representative's relationship with the member firm, unless prior written notice is provided to the member.

On August 4, 2009, while registered with Synergy, Burke incorporated Saskatchewan, LTD in the Province of Saskatchewan, Canada. Burke served as the president and director of Saskatchewan, LTD, which was established to facilitate Burke's Canadian banking activities in connection with the Canadian lodge. While registered with Synergy and CIG, Burke opened, controlled, and used a bank account in the name of Saskatchewan, LTD during the period September 2009 to June 2014 to effectuate banking transactions in Canada for the lodge business.

The policies of Synergy and CIG required registered representatives to provide written disclosure of, and obtain approval for, all outside business activities prior to engaging in the activity. Burke failed to provide the required written disclosure to, or obtain approval from, either Synergy or CIG. Accordingly, Burke violated NASD Rule 3030 (during the period August 4, 2009 through December 14, 2010) and successor rule, FINRA Rule 3270 (during the period December 15, 2010 through January 31, 2012). By violating NASD Rule 3030 and FINRA Rule 3270, Burke also violated FINRA Rule 2010.

5. Misrepresentations regarding Participation in Private Securities Transactions and Involvement in an Outside Business Activity

FINRA Rule 2010 and its predecessor rule, NASD Rule 2110, require a member, in the conduct of its business, to observe high standards of commercial honor and just and equitable principles of trade.

On December 8, 2008 and October 29, 2009, Burke certified on Synergy Annual Compliance Questionnaires that he had not and did not intend to recommend investments in or the purchase or sale of private securities. On June 6, 2012, Burke certified on CIG's Annual Compliance Questionnaire that he had not engaged in any private securities transactions, nor had he sold any private placements. On October 29, 2009, Burke also certified on Synergy's Annual Compliance Questionnaire that he had no other outside business activities to report. Similarly, on June 6, 2012 and March 25, 2013, Burke certified on CIG's Annual Compliance Questionnaires that he had disclosed all outside business activities. By reason of the private securities transactions and outside business activity described above, these certifications were false.

By making false certifications on FINRA member firm annual compliance questionnaires, Burke violated NASD Rule 2110 (December 8, 2008 Synergy questionnaire) and FINRA Rule 2010 (October 29, 2009 Synergy questionnaire, and June 6, 2012 and March 25, 2013 CIG questionnaires).

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

A bar in all capacities from any FINRA member.

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).

I understand that this settlement includes a finding that I willfully violated Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934 and that under Article III, Section 4 of FINRA's By-Laws, this makes me subject to a statutory disqualification with respect to association with a member.

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.

I.

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.

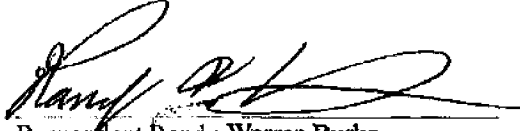
OTHER MATTERS

I understand that:

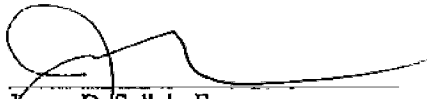
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will 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.

10/15/2015
Date (mm/dd/yyyy)


Respondent Randy Warren Burke

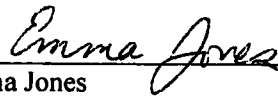
Reviewed by:


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Accepted by FINRA:

10-21-2015
Date

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



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