

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015047496101**

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

RE: Brett David Levinson, Respondent
General Securities Representative
CRD No. 2644880

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Brett David Levinson 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 Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent 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

Respondent entered the securities industry in August 1995. In December 2008, Respondent became registered as a General Securities Representative ("GSR") with Hilltop Securities Inc. (BD 6220) ("Hilltop"), a FINRA-regulated broker-dealer. On September 25, 2015, Respondent resigned from Hilltop and became registered as a GSR with another FINRA-regulated broker-dealer. On October 23, 2015, Hilltop filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") stating that Hilltop was conducting an internal review to determine whether Respondent had violated any "investment-related statutes, regulations, rules or industry standards of conduct." Respondent remains registered with a FINRA-regulated broker-dealer and is subject to FINRA's jurisdiction.

RELEVANT DISCIPLINARY HISTORY

Respondent does not have any disciplinary history with the Securities and Exchange Commission, any state securities regulators, FINRA, or any other self-regulatory organization.

OVERVIEW

In September 2015, when changing firms, Respondent improperly disclosed non-public personal information of a Hilltop customer to a third party, and retained non-public personal information of other Hilltop customers after his departure from Hilltop. By virtue of this conduct, Respondent violated FINRA Rule 2010 by causing Hilltop to violate Regulation S-P.

FACTS AND VIOLATIVE CONDUCT

Regulation S-P generally prohibits financial institutions from disclosing “nonpublic personal information” about a customer unless the customer receives proper notice and an opportunity to opt out. Information is considered to be “nonpublic personal information” if it contains personally identifiable financial information about one or more consumers, including: (1) information a consumer provides to a broker-dealer to obtain a financial product or service, (2) information about a consumer resulting from any transaction involving a financial product or service between a broker-dealer and a consumer, or (3) information a broker-dealer otherwise obtains about a consumer in connection with providing a financial product or service to that consumer.

“Nonpublic personal information” includes, among other things, names, addresses, telephone, and social security numbers that are derived in whole or in part from information provided to a financial institution by a customer.

FINRA Rule 2010, requires registered persons to observe high standards of commercial honor and just and equitable principles of trade. A registered individual who discloses nonpublic personal information about a customer, and causes his FINRA member firm to violate Regulation S-P, violates FINRA Rule 2010.

In August and September, 2015, Hilltop maintained written policies and procedures prohibiting the disclosure of nonpublic personal information about customers to unaffiliated third parties.

On or about August 27, 2015, in the course of negotiating his move to a new firm and while still employed at Hilltop, Respondent provided an individual at another FINRA-regulated broker-dealer with excerpts of two “Daily Person Trade and Commission Blotter[s],” one of which included the name of a Hilltop customer, as well as her account number, and trade information. In addition, Respondent retained several binders of his customers’ account statements, including customers’ account numbers, for several days after the termination of his registration with Hilltop, during which interval he was not entitled to possess them.

By virtue of the foregoing, Respondent caused Hilltop to violate Regulation S-P and, in so doing, violated FINRA Rule 2010.

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

A suspension of 30 calendar days and a \$5,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes 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, he 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

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against him;
- 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, Respondent specifically and voluntarily waives 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.

Respondent 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

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

Respondent 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; Respondent has agreed to the AWC's provisions voluntarily; and 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 this AWC.

11/27/19
Date

Brett D. Levinson
Brett David Levinson
Respondent

Reviewed by:

Lauren C. Jackson
Lauren C. Jackson, Esq.
Counsel for Respondent
Kilpatrick Townsend & Stockton LLP
1001 West Fourth Street
Winston-Salem, NC 27101

Accepted by FINRA:

12/9/19
Date

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

D. Hibshoosh
Daniel M. Hibshoosh
Director
FINRA
Department of Enforcement
200 Brookfield Place, 11th Floor
New York, NY 10281

Brett Levinson Statement of Corrective Action

This Corrective Action Statement is submitted by Respondent, Brett Levinson, describing corrective actions taken with respect to the events described in the Letter of Acceptance, Waiver and Consent No. 2015047496101. This statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

As referenced in the AWC: On Monday, September 28, 2015, a representative from Hilltop Securities contacted a representative at Mr. Levinson's new firm and asked that the registered representatives that had resigned from Hilltop on Friday, September 25, 2015, including Mr. Levinson, promptly return any materials belonging to Hilltop. Mr. Levinson searched his home and in doing located several three-ring binders containing copies of customer account statements that he had previously taken home in the ordinary course of business (*i.e.*, to work from home) and had retained after his resignation on September 25, 2015.

Relevant Corrective Action: Mr. Levinson, with physical assistance from his wife, delivered the binders to his new firm on Tuesday, September 29, 2015. In turn, Mr. Levinson's new firm coordinated the binders' return to Hilltop. During the time Mr. Levinson had the binders, he did not permit access to them by anyone else and he did not review them or use them in any way after he resigned from Hilltop.

As referenced in the AWC: On Thursday, August 27, 2015, in the course of negotiating his employment agreement with his prospective new firm, Mr. Levinson provided the last summary page of his commission and sales credit blotter from August 2015 to the prospective new firm. In doing, he failed to redact the top of the page, which had information regarding a cancelled and rebilled trade, including the account short name and account number for the trade.

Relevant Corrective Action: Mr. Levinson learned of his error nearly a year after it occurred. He researched the matter and determined that the relevant account owner had died in May 2015, and that her daughter, the trustee for the estate who had directed the account's liquidation, had since transferred the assets that had been held in the account at issue to Mr. Levinson's new firm. Accordingly, Mr. Levinson determined that the third party to which he had inadvertently disclosed the information (*i.e.*, his new firm) had subsequently been granted permission by the customer's representative (the daughter) to have access to such information. Nonetheless, Mr. Levinson described his conduct to the trustee, and apologized for his oversight in disclosing the information in August 2015 without her permission.

As referenced in the AWC: Mr. Levinson accepted and consented to the AWC without admitting or denying the findings that, by virtue of the conduct described therein and above, he violated FINRA Rule 2010 by causing Hilltop to violate Regulation SP.

Relevant Corrective Action: Mr. Levinson has carefully reviewed and considered Rule 2010 and Regulation SP, as well as his member firm's policies and procedures regarding privacy and proper handling of customer information. He affirms his understanding of the aforementioned and his commitment to full compliance therewith.