

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016051410501**

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

RE: Gabriel W. Hynes, Respondent
General Securities Representative
CRD No. 3152541

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

Hynes entered the securities industry when he associated with a member firm in October 1998 and registered as a General Securities Representative in January 1999. From January 2001 to June 2017, Hynes was registered with NYLife Securities as a General Securities Representative and as an Investment Company/Variable Contracts Representative. Hynes is not currently registered or associated with a member firm. However, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws. Hynes has no disciplinary history.

OVERVIEW

From 2008 through May 2014, Hynes purchased securities in four different companies through private offerings conducted outside the scope of his employment with NYLife. Although required to, Hynes failed to give NYLife any notice of these transactions.

In January 2014, Hynes opened an account at another member firm and maintained the account throughout his association with NYLife. Hynes deposited into the account the securities he had purchased through the private offerings conducted away from NYLife. He failed to notify the other member firm that he was associated with NYLife and failed to notify NYLife that he had opened an account at another member firm.

As a result, Hynes violated (i) NASD Rules 3040 and 2110 and FINRA Rule 2010 by participating in private securities transactions without providing prior written notice to NYLife and (ii) NASD Rule 3050 and FINRA Rule 2010 by failing to notify NYLife that he had opened an account at another member firm and by failing to notify the other member firm that he was associated with NYLife.

FACTS AND VIOLATIVE CONDUCT

Private Securities Transactions

(Violation of NASD Rules 3040 and 2110 and FINRA Rule 2010)

NASD Rule 3040¹ prohibited associated persons from participating in a private securities transaction without first providing written notification to the member. A “private securities transaction” is any securities transaction outside the regular course or scope of an associated person’s employment with a member. A violation of NASD Rule 3040 also constitutes a violation of NASD Rule 2110 (for conduct before December 15, 2008) and FINRA Rule 2010 (for conduct on or after December 15, 2008).²

On four occasions between September 2008 and May 2014, Hynes purchased securities issued by privately-held companies costing a total of \$90,000. These transactions were outside the regular course and scope of his employment with NYLife. As a result, Hynes was required to provide written notice to NYLife before participating in them, but he failed to provide the firm with any notice.

By virtue of the foregoing, Hynes violated NASD Rules 3040 and 2110 and FINRA Rule 2010.

¹ NASD Rule 3040 was superseded by FINRA Rule 3280 effective September 21, 2015. Because the transactions at issue occurred before the new rule’s effective date, NASD Rule 3040 applies.

² NASD Rule 2110 was superseded by FINRA Rule 2010 effective December 15, 2008. Because the transactions at issue occurred before and after the new rule’s effective date, both rules apply.

Undisclosed Outside Brokerage Account
(Violation of NASD Rule 3050(c) and FINRA Rule 2010)

NASD Rule 3050³ governed the disclosure obligations of associated persons who sought to open or maintain securities accounts at a member firm other than his or her employer member. The rule provided that an associated person, “prior to opening an account . . . with another member, shall notify both [members] in writing, of his or her association with the other member.” A violation of NASD Rule 3050 also constitutes a violation of FINRA Rule 2010.

In January 2014, while associated with NYLife, Hynes opened an account at another member firm and maintained the account during his association with NYLife. He deposited into this account the securities he had purchased through the private securities transactions discussed above. Hynes failed to notify NYLife that he had opened an account at the other member firm and failed to inform the other member firm that he was associated with NYLife.

By virtue of the foregoing, Hynes violated NASD Rule 3050 and FINRA Rule 2010.

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

- A three-month suspension from associating with any FINRA member firm in any capacity; and
- A fine of \$10,000.

The fine shall be due and payable either immediately upon reassociation with a member firm, 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 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.

³ NASD Rule 3050 was superseded by FINRA Rule 3210 effective April 3, 2017. Because the conduct at issue occurred before the new rule’s effective date, NASD Rule 3050 applies.

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

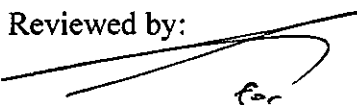
C. If accepted:

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.

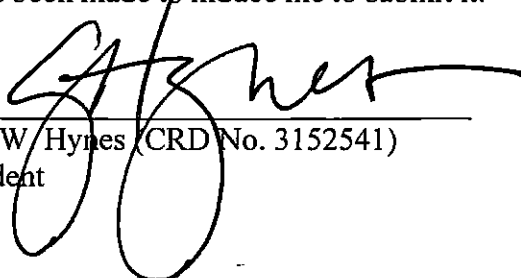
D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute 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.

08/11/2017
Date (mm/dd/yyyy)

Reviewed by: 

Robert L. McLeod, Esq.
Counsel for Respondent
The McLeod Firm
1200 Plantation Island Drive
Suite 140
St. Augustine, Florida 32080


Gabriel W. Hynes (CRD No. 3152541)
Respondent

Accepted by FINRA:

August 15, 2017
Date

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

A handwritten signature in black ink, appearing to read "Joel Kornfeld", is written over a horizontal line.

Joel T. Kornfeld
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