

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2018058983601**

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

RE: Dee Dee Brooks, Respondent
Former Investment Company and Variable Contracts Product Representative
CRD No. 2559233

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Dee Dee Brooks 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

Brooks first became registered with FINRA in February 1995 as an Investment Company and Variable Contracts Products Representative ("IR") through an association with a FINRA member firm. From July 2015 through June 2018, Brooks was registered as an IR through Signator Investors, Inc. (CRD No. 468) ("Signator" or the "Firm"). On June 7, 2018, Signator filed a Uniform Termination Notice for Securities Industry Registration ("Form U5"), terminating Brooks's registration with the Firm. The Form U5 also disclosed an internal review by the Firm to investigate Brooks's involvement in the sale of unregistered securities. Signator filed an amendment to Brooks's Form U5 on October 9, 2018 to disclose the completion of the internal review and the Firm's conclusion that Brooks "knowingly facilitated the sale of unapproved investments in violation of Firm policy."

On July 16, 2018, another FINRA member firm filed a Uniform Application for Securities Industry Registration or Transfer ("Form U4") for Brooks, seeking to register her as an IR. Brooks's registration through the firm was never effective and the firm filed a Form U5 for Brooks on August 6, 2018.

Brooks is not currently associated with a member firm. However, she remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.

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

Between July 2016 and December 2017 (the "Relevant Period"), Brooks engaged in undisclosed and unapproved private securities transactions totaling more than \$1.77 million. Brooks's conduct violated FINRA Rules 3280 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3280(e) generally defines a private securities transaction as any securities transaction outside the regular scope of an associated person's employment with a member. FINRA Rule 3280(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." Rule 3280(c) states that when an associated person has received or may receive selling compensation, the member firm shall provide written approval or disapproval of the associated person's participation in the proposed private securities transaction. FINRA Rule 2010 requires associated persons, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade.

Signator's written supervisory procedures ("WSPs") prohibited its registered representatives from participating in the sale of private securities transactions without prior written approval from the Firm.

During the Relevant Period, Brooks solicited investors to purchase over \$1.77 million in securities in two separate investments, the Woodbridge Group of Companies LLC ("Woodbridge") and Future Income Payments, LLC ("FIP"). Woodbridge was a purported real estate investment fund. Brooks, through a company that she worked with as an outside business, solicited nine investors, five of whom were Signator customers, to invest \$906,497 in Woodbridge promissory notes. Brooks did not provide notice to Signator prior to participating in the transactions involving Woodbridge, nor did she obtain approval from the Firm.

In December 2017, Woodbridge filed a voluntary Chapter 11 bankruptcy petition. On December 27, 2018, the United States District Court for the Southern District of Florida issued final judgments against, among others, Woodbridge and its former owner, Robert

H. Shapiro. *SEC v. Shapiro*, Case No. 17-24624 (S.D. Fla.). Those judgments required Woodbridge and Shapiro to, among other things, disgorge their ill-gotten gains and pay a civil penalty.

FIP represented itself as a structured cash flow investment, claiming to purchase pensions at a discount from pensioners and then selling a portion of those pensions as a "pension stream" to investors. FIP generally promised investors a 7% to 8% rate of return on their investment. Brooks personally owned a FIP contract prior to joining Signator, which she purchased in June 2015. During the Relevant Period, Brooks sold \$866,895 in FIP purchase agreements to seven investors, six of whom were Signator customers. Brooks did not provide notice to Signator prior to participating in the transactions involving FIP, nor did she obtain approval from the Firm.

In April 2018, FIP ceased business, owing nearly \$300 million in unpaid investor payments. In a March 12, 2019 indictment, the United States charged FIP and its owner, Scott A. Kohn, with conspiracy to engage in mail and wire fraud related to FIP's operations.

By virtue of the foregoing, Brooks violated FINRA Rules 3280 and 2010.

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

- A bar from association with any FINRA member in any capacity.

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

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 her;
- 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:

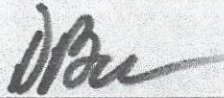
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not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

Respondent certifies that she 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 her to submit this AWC.

4.15.2020

Date



Dee Dee Brooks
Respondent

Reviewed by:



Jeffrey Compton, Esq.
Markun Zusman Freniere Compton LLP
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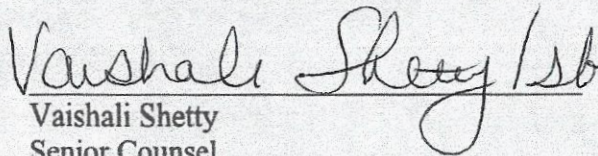
Counsel for Respondent

Accepted by FINRA:

6/5/2020

Date

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



Vaishali Shetty
Senior Counsel
FINRA

Department of Enforcement
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