

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015046063501**

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

RE: Andrew John Logullo ("Logullo"), Respondent
Former General Securities Representative
[CRD No. 2383674]

0 05/11/17 @ 10:45 FIN

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

Logullo entered the securities industry in September 1993 and since that time has been associated with seven current and former FINRA member broker-dealers, including Ameritas, where he was associated from October 2014 to June 2015.¹ He obtained the following securities registrations: Direct Participation Program Representative ("Series 22") in September 1993; Investment Company Products/Variable Contracts Representative ("Series 6") in April 1994; General Securities Representative ("Series 7") in December 1994; Uniform Investment Advisor ("Series 65") in January 2015; and Uniform Securities Agent ("Series 63") in January 2015.

On June 26, 2015, Ameritas filed with FINRA a Uniform Termination Notice for Securities Industry Registration ("Form U5"), reporting that Logullo had "submitted his request to voluntarily terminate his registration with [Ameritas] after notification [that] he was being placed on suspension by the Firm due to an

¹During the periods between July 1999 and February 2003, June 2003 and October 2011, and September 28, 2012 and October 21, 2014, Logullo was not employed in the securities industry.

ongoing internal investigation for potential violations including selling away and unreported outside business activities.”

In January 2017, Logullo became employed as a sole proprietor Registered Investment Advisor (CRD # 285492), for an entity that is not a FINRA member. Although Logullo is no longer associated with a FINRA member firm, pursuant to Article V, Section 4 of FINRA’s By-Laws, he remains subject to FINRA’s jurisdiction.

RELEVANT DISCIPLINARY HISTORY

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

OVERVIEW

From May to June 2015 (the “Relevant Period”), Logullo while registered as a General Securities Representative with FINRA through an association with Ameritas Investment Corp. (“Ameritas” or the “Firm”), had three investors open accounts at another broker-dealer without providing written notice to Ameritas that he had discretionary-trading authority over the accounts. By this conduct, Logullo violated NASD Conduct Rule 3050 and FINRA Rule 2010.

During the Relevant Period, Logullo also failed to disclose to Ameritas that he was the president of a consulting company, in violation of FINRA Rules 3270 and 2010.

FACTS AND VIOLATIVE CONDUCT

Failure to Disclose Outside Brokerage Accounts

NASD Rule 3050(c) requires that a person who is associated with a member, prior to opening an account with another member is required to notify both the employer member and the executing member, in writing, of his or her association with the other member. While Rule 3050(c) applies to accounts held by a person associated with a member firm and maintained with another member, NASD Conduct Rule 3050(e) extends the written notification requirement of Rule 3050(c) to accounts over which an associated person has either a financial interest or discretionary trading authority.

In May 2015, Logullo requested that a registered representative employed with a FINRA member firm other than Ameritas (“BD”) open brokerage accounts for three investors located outside the United States at BD.

Logullo asserted that these investors were his clients and that he was an independent non-registered person, rather than disclosing that he was registered with FINRA through an association with Ameritas.

During May 2015, an account was opened for each of the investors at the BD. Each of the investors signed new account forms that provided Logullo with discretionary trading authority over the accounts. In addition, Logullo and each investor signed a Trading Authorization Agreement providing Logullo with discretionary trading authority over the accounts. Logullo did not disclose to Ameritas that he had discretionary trading authority over the investors' accounts at BD and he did not request or receive the Firm's approval to exercise discretionary trading authority over those accounts.

During May 2015, BD closed the investors' accounts, after the investors attempted to deposit shares of penny stocks and BD became concerned that the investors may have been acting at the direction of the penny stock issuer.

As a result of the foregoing conduct, Logullo violated NASD Rule 3050 and FINRA Rule 2010.

Outside Business Activity

FINRA Rule 3270 provides that "[n]o registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated, or have the reasonable expectation of compensation, from any other person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to the member, in such form as specified by the member." A violation of FINRA Rule 3270 is also a violation of FINRA Rule 2010.

From approximately January 2014 to June 2015, Logullo was the president and registered agent of a company formed to provide securities-related consulting services. Logullo did not disclose his role in the company to the Firm when he became associated with the Firm during October 2014 or at any time thereafter.

Based on the foregoing conduct, Logullo violated FINRA Rules 3270 and 2010.

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

- a suspension in any and all capacities from association with any FINRA member firm for a period of six months; and
- a fine in the amount 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 sanctions 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.

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 understand and acknowledge that FINRA does not represent or advise me and I cannot rely on FINRA or FINRA staff members for legal advice; 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.

05/07/2017
Date (mm/dd/yyyy)

A. J. Logullo
Andrew John Logullo, Respondent

Reviewed by:

Accepted by FINRA:

5/15/2017
Date

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

Myles L. Orosco
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