

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2018058504901**

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

RE: Floyd E. Powell, Respondent
CRD No. 2220029

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Floyd E. Powell, 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

Powell first became registered with FINRA in March 1992 as an Investment Company Products/Variable Contracts Representative ("IR") through his association with MSI Financial Services, Inc., formerly known as MetLife Securities, Inc. (CRD No. 14251) ("MSI"). He remained registered as an IR through MSI until March 2017. From March 2017 through January 2018, Powell was registered as an IR through his association with MML Investors Services, LLC (CRD No. 10409) ("MML").¹ By Uniform Termination Notice for Securities Industry Registration ("Form U5"), dated February 5, 2018, MML reported that it had terminated Powell's registration.

Although Powell is not currently registered with FINRA or associated with a FINRA member firm, FINRA retains jurisdiction over him under Article V, Section 4(a) of the FINRA By-Laws.

¹ MSI merged with MML in March 2017. MML is the surviving entity.

RELEVANT DISCIPLINARY HISTORY

Powell does not have any formal disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

OVERVIEW

Between July 2016 and December 2017 (the "Relevant Period"), Powell engaged in undisclosed and unapproved private securities transactions totaling approximately \$3.49 million. Powell's conduct violated FINRA Rules 3280 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3280(b) states that prior to participating in any private securities transaction, an associated person shall provide written notice to the member with which they are associated describing in detail the proposed transaction and their role therein and stating whether they have received or may receive selling compensation in connection with the transaction. A private securities transaction is defined as any securities transaction outside the regular scope of an associated person's employment with a member. 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.

During the Relevant Period, Powell solicited investors to purchase promissory notes relating to the Woodbridge Group of Companies LLC ("Woodbridge"), a purported real estate investment fund. Ultimately, Powell sold \$3,491,707 in Woodbridge notes to 13 investors, 11 of whom were customers of MML or MSI. He received a total of \$103,598 in commissions in connection with these transactions. On December 4, 2017, Woodbridge filed a voluntary Chapter 11 bankruptcy petition. Powell did not provide notice to MML or MSI prior to participating in these private securities transactions, nor did he obtain approval from MML or MSI.

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

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

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

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. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

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.

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.

01/22/2019
Date (mm/dd/yyyy)

Floyd E. Powell
Floyd E. Powell, Respondent

Accepted by FINRA:

2/13/19
Date

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

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