

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2019064102502**

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

RE: Christian M. Evans (Respondent)
Former General Securities Representative
CRD No. 6325180

Pursuant to FINRA Rule 9216, Respondent Christian M. Evans 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 in this AWC.

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 first registered with FINRA in 2017 through an association with a FINRA member. In January 2018, Respondent associated with FINRA member Morgan Stanley and registered with FINRA as a General Securities Representative.

On September 27, 2019, the firm filed a Uniform Termination Notice for Securities Industry Registration (Form U5) on Evan's behalf disclosing that it had terminated his employment on August 30, 2019 because of "concerns relating to employee's involvement in undisclosed outside financial services-related activity."¹

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

¹For more information about the Respondent, including prior regulatory events, visit BrokerCheck® at www.finra.org/brokercheck.

OVERVIEW

Between July 2018 and August 2019, Respondent engaged in an outside business activity without providing prior written notice to the firm, in violation of FINRA Rules 3270 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3270 provides:

No 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.

Conduct that violates Rule 3270 also violates FINRA Rule 2010, which requires registered representatives to observe high standards of commercial honor and just and equitable principles of trade.

The firm's written supervisory procedures in effect from 2018 through 2019 prohibited registered representatives from engaging in outside business activities without disclosing the activity and receiving prior written approval.

Between July 2018 and August 2019, Respondent and two partners who were not associated with a FINRA member firm started a business to raise capital for small businesses. To conduct this business, Respondent formed a limited liability company, and served as its managing member. Respondent led the company's business development and marketing efforts. For example, he created a marketing presentation describing the company and its anticipated transactions and he emailed it to numerous potential clients. Additionally, in a letter of intent that Respondent sent to at least one potential client, Respondent proposed terms for engaging his company, including base and incentive compensation for himself and his partners.

Respondent engaged in these activities without providing prior notice of them to his firm. For example, in January 2019, the firm's annual compliance questionnaire instructed registered representatives to identify all of their outside business activities. However, Respondent did not identify any of these activities.

By virtue of the foregoing, Respondent violated FINRA Rules 3270 and 2010.

SANCTIONS CONSIDERATIONS

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

- a three-month suspension from associating with any FINRA member in all capacities and
- a \$5,000 fine.

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.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, 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 in this AWC shall be effective on a date set by FINRA.

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 its acceptance or rejection.

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 its subject matter 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 testimonial obligations or 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.

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 understands and acknowledges that FINRA does not represent or advise him and Respondent cannot rely on FINRA for legal advice. 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 in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

June 28, 2021

Date



Christian M. Evans
Respondent

Accepted by FINRA:

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

July 16, 2021

Date



Elizabeth Virga
Senior Counsel, Enforcement
FINRA
Department of Enforcement
Brookfield Place
200 Liberty Street
New York, NY 10281