

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2019064979001**

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

RE: Christopher Joseph (Respondent)  
Former General Securities Representative  
CRD No. 6841532

Pursuant to FINRA Rule 9216, Respondent Christopher Joseph 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 accepts and consents to the following findings by FINRA without admitting or denying them:

**BACKGROUND**

Joseph first associated with a FINRA member firm on October 6, 2017, when Signator Investors, Inc. filed a Uniform Application for Securities Industry Registration or Transfer (Form U4) on his behalf. In April 2018, Joseph became registered with FINRA as a General Securities Representative while still associated with Signator. In November 2018, Joseph became associated with Royal Alliance Associates, Inc., as part of a mass transfer of registered representatives from Signator to Royal Alliance. On January 28, 2020, Royal Alliance filed a Uniform Termination Notice for Securities Industry Registration (Form U5) which noted Joseph's termination of his association with that firm. Joseph is not currently associated with a member firm but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.<sup>1</sup>

**OVERVIEW**

Between March 2018 and January 2020, Joseph engaged in private securities transactions without providing written notice of these transactions to his member firms. Specifically, Joseph raised money for an entity he owned with his wife by selling convertible notes to family and friends. This conduct violated FINRA Rules 3280 and 2010. Moreover, between April 2018 and January 2020, Joseph failed to provide prior written notice of

---

<sup>1</sup> For more information about the respondent, visit BrokerCheck® at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

two outside business activities to his member firms, in violation of FINRA Rules 3270 and 2010.

### **FACTS AND VIOLATIVE CONDUCT**

This matter originated from an investigation of Joseph's potential participation in private securities transactions outside his firm.

#### **A. Undisclosed Outside Business Activities**

FINRA Rule 3270 prohibits registered persons from acting as an employee, independent contractor, sole proprietor, officer, director, or partner of another person, or being compensated, or having 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 also constitutes a violation of FINRA Rule 2010.

Throughout Respondent's association with Signator and Royal Alliance, the firms had written supervisory procedures that prohibited associated individuals from engaging in any outside business activity without first providing written notice to the firms. Joseph had no assigned job duties, never performed work, and he never earned any compensation from either of the member firms, but he participated in annual trainings and confirmed his knowledge of the firms' policies and procedures.

In May 2018, Joseph signed an employment agreement with another member firm, while he was registered with Signator. The employment agreement was in effect until November 2018, and the firm paid Joseph \$31,750.47. Joseph's job responsibilities did not involve the execution of any securities transactions but instead related primarily to managing relationships with current and prospective clients.

During the entire period that Joseph was registered with FINRA through an association with Signator and Royal Alliance, Joseph was also a founder, owner, and chief operating officer of a company that he formed with his wife to launch a mobile application. Joseph handled various aspects of the business, including working with vendors to develop and market the mobile application. Joseph was issued a company credit card to pay for business expenses, including meals and travel, but did not receive a salary.

Joseph did not provide prior written notice to either Signator or Royal Alliance before engaging in the above described outside business activities, and thereby Joseph violated FINRA Rules 3270 and 2010.

#### **B. Undisclosed Private Securities Transactions**

FINRA Rule 3280 prohibits any person associated with a member from participating in any manner in a private securities transaction, unless, prior to participating in the

transaction, the associated person provides written notice to the member with which he is associated describing in detail the proposed transaction and the person's proposed role therein.

A violation of FINRA Rule 3280 also constitutes a violation of FINRA Rule 2010, which requires associated persons in the conduct of their business to observe high standards of commercial honor and just and equitable principles of trade.

Beginning in March 2018, Joseph participated in raising money for the mobile application business he started with his wife. Joseph participated in the sales of \$462,500 of convertible notes to 15 investors who were friends and family of Joseph and his wife. Joseph assisted with pitching investments to individuals and sending offering documents. Joseph had an ownership interest in this business and was reimbursed for his expenses.

Joseph did not provide prior written notice of his participation in these private securities transactions to either of his member firms, and thereby Joseph violated FINRA Rules 3280 and 2010.

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

- a 6-month suspension from associating with any FINRA member in all capacities; and
- a \$10,000 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**

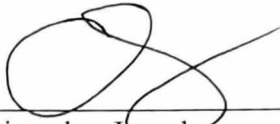
Respondent understands that:

- 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:

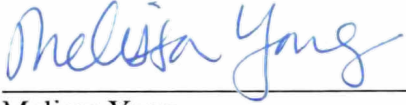
1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
  2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
  3. FINRA 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 right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.
- 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 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.

1/10/22  
Date

  
\_\_\_\_\_  
Christopher Joseph  
Respondent

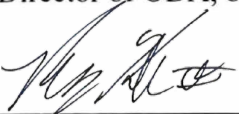
Reviewed by:

  
\_\_\_\_\_  
Melissa Yang  
Counsel for Respondent  
Rakower Law PLLC  
260 Madison Avenue, 15<sup>th</sup> Floor  
New York, New York 10016

Accepted by FINRA:

1/12/2022  
Date

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

  
\_\_\_\_\_  
Roger J. Kiley  
Senior Counsel  
FINRA  
Department of Enforcement  
55 W. Monroe Street, Suite 2700  
Chicago, Illinois 60603