

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 201504444901**

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

RE: Dennis C. Lee
Former Registered Representative
CRD No. 2339083

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Dennis Lee ("Lee" or "Respondent") 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

Lee first became registered with FINRA as an Investment Company and Variable Contracts Products Representative ("IR") through an association with a FINRA member firm in August 1993. In September 1994, Lee also became registered with FINRA as a General Securities Representative ("GSR") through the same firm.

In January 2000, Lee was registered with FINRA as a GSR and IR through an association with AXA Advisors LLC (the "Firm" or "AXA Advisors"). In April 2015, AXA Advisors filed a Uniform Termination Notice for Securities Industry Registration ("Form U5"), terminating Lee's registration with FINRA through the Firm, for the events and misconduct discussed below. Lee is not currently registered with FINRA or associated with any FINRA member firm.

RELEVANT DISCIPLINARY HISTORY

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

OVERVIEW

Between August 2012 and June 2013, Lee executed trades for a third-party in an account that he opened at another broker-dealer without providing prior written notice to AXA Advisors or the executing member firm that he was exercising discretion in that account. By reason of the foregoing, Lee violated NASD Conduct Rule 3050 and FINRA Rule 2010.

Between February 2012 and August 2012, Lee mismarked 55 order tickets as unsolicited. By reason of the foregoing, Lee violated FINRA Rule 4511 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Failure to Disclose Outside Brokerage Account

NASD Conduct 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 July 2012, while registered with FINRA through AXA Advisors, Lee opened brokerage account for one of his customers, CC, at another FINRA member firm that provided online trading. Lee had log-in credentials for the online trading account. Between August 2012 and June 2013, Lee placed 137 trades in CC's online account held away from AXA. Lee did not advise AXA that he had discretionary trading authority for CC's account at the other member firm prior to placing orders in the account. Additionally, Lee did not notify the other member firm that he was associated with AXA.

By reason of the foregoing, Lee violated NASD Conduct Rule 3050 and FINRA Rule 2010.

Mismarking of Order Tickets

FINRA Rule 4511 provides, *inter alia*, that members "shall make and preserve books and records as required under the FINRA rules, the [Securities] Exchange

Act and the applicable Exchange Act Rules." Individual may violate FINRA Rule 4511 by causing his or her member firm to maintain inaccurate books and records.

Between February 2012 and August 2012, Lee mismarked 55 order tickets as unsolicited, when he had in fact solicited those transactions, thereby causing AXA to maintain inaccurate books and records.

By reason of the foregoing, Lee violated FINRA Rules 4511 and 2010.

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

- A \$15,000 fine; and
- A suspension from association with any FINRA member firm in any and all capacities for nine (9) months.

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 sanction(s) 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 prejudice 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 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.

11/29/16
Date (mm/dd/yyyy)


Dennis Lee, Respondent

Reviewed by:


Matthew Tracy, Esq.
Counsel for Respondent
Winget, Spadafora & Schwartzberg, LLP
45 Broadway, 19th Floor
New York, NY 10006
Tel: (212) 221-6900

Accepted by FINRA:

1/27/17
Date

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

Artur Wlazlo/sb

Artur M. Wlazlo
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FINRA Department of Enforcement
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