

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2016051678001**

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

RE: Michael A. Crowe, Respondent  
Former Registered Representative  
CRD No. 1057029

Pursuant to FINRA Rule 9216 of FINRA’s Code of Procedure, Michael A. Crowe (“Crowe” or “Respondent”) 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 herein.

**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**

Michael Crowe first entered the securities industry in 1982, when he became registered with a FINRA member firm as a General Securities Representative (Series 7). Crowe became registered in the same capacity with Securities America, Inc. (“SAI”) in December 2012. On October 13, 2016, SAI filed a Form U5 terminating Crowe’s registration and disclosing the reason for Crowe’s termination as “Engaged in private securities transaction without Firm approval.”

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

**RELEVANT DISCIPLINARY HISTORY**

Crowe has no prior disciplinary history.

## OVERVIEW

Crowe failed to disclose to SAI his participation in a private securities transaction for compensation involving a real estate investment company, Simply Smart Homes (“SSH”). In mid-2016, Crowe solicited two SAI customers (a married couple) to invest \$50,000 in SSH. After receiving an initial return of \$1,250 on their investment, the customers did not receive any additional payments from SSH. Crowe did not provide written notice to SAI or receive its approval prior to participating in the private securities transaction. Therefore, Crowe violated FINRA Rules 3280 and 2010.

## FACTS AND VIOLATIVE CONDUCT

FINRA 3280 prohibits registered representatives from “participating in any manner in a private securities transaction” unless the registered representative provides written notice to the member, and where he is to receive selling compensation, the member has approved his participation in the proposed transaction.

In April 2016, Crowe arranged a meeting between his SAI customers, BF and JF (a married couple), and RS, the owner of SSH. RS purported to have a history of buying homes through foreclosure, fixing them, and then renting them for a profit, and Crowe had suggested to his customers that they meet with RS to consider investing in SSH as an option to diversify their portfolio. During that meeting, attended by BF, JF, Crowe, and RS, RS discussed his need for investors to contribute capital to SSH so that he could buy more homes; RS promised an annual rate of return on their investment of upwards of eight percent. On April 2, 2016, BF and JF provided a \$50,000 check for investment to SSH, and thereafter signed a joint venture agreement with SSH. For his involvement in the transaction, Crowe received a \$2,500 referral fee.

A few days after BF and JF made their investment in SSH, Crowe learned of a lawsuit against the owner of SSH for improper use of investor funds. BF and JF received a single \$1,250 payment from SSH in July 2016 and nothing more.

Crowe did not provide written notice to or receive permission from SAI before he participated in the SSH investment by BF and JF.

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

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

- A fine in the amount of \$5,000;
- A one-month suspension from associating with any FINRA member firm in any capacity; and,
- Disgorgement of financial benefits received, which is ordered to be paid to

FINRA in the amount of \$2,500, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621, from April 2, 2016 until the date this AWC is accepted by the NAC.

The fine and disgorgement shall be due and payable either immediately upon re-association 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 understands that if he is barred or suspended from associating with any FINRA member, he will 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, Respondent 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).

Respondent specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

## 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 acceptance or rejection of this AWC.

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

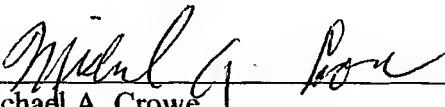
Respondent understands that:

- 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 him; and
- C. If accepted:
  1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against him;
  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. 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: (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. 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 or its staff.

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; that Respondent understands and acknowledges that FINRA does not represent or advise him and he cannot rely on FINRA or FINRA staff members for legal advice; that Respondent has 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.

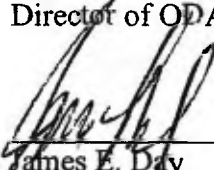
09/02/2017  
Date (mm/dd/yyyy)

  
\_\_\_\_\_  
Michael A. Crowe

Accepted by FINRA:

10/02/17  
Date

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

  
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