

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 20140418627 OS**

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

RE: Steven Quoy, Respondent  
Registered Representative and Registered Principal  
CRD No. 713992

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I 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**

Steven Quoy ("Quoy" or Respondent") first became registered with a FINRA member firm in 1980. He was registered with nine firms prior to registering with Spencer Edwards, Inc. ("Spencer Edwards" or the "Firm") in April 2013. He is currently registered with Spencer Edwards as a general securities representative, general securities principal, equities trader and proprietary trading principal.

**RELEVANT DISCIPLINARY HISTORY**

Quoy has no disciplinary history.

**OVERVIEW**

Spencer Edwards conducted an offering of convertible notes (the "notes") of "DOM" (also referred to herein as "the "Issuer") between September 2013 and August 2014 ("the offering"). In connection with the offering, Quoy distributed issuer prepared sales materials to customers or

potential customers that were misleading, omitted certain information that caused them to be misleading, or that failed to provide a fair and balanced presentation of information.

By virtue of the foregoing, Quoy violated FINRA Rules 2210(d)(1) and 2010.

### **FACTS AND VIOLATIVE CONDUCT**

In the summer of 2013, DOM sought financing to develop a digital signage advertising network in Washington, D.C. DOM retained Spencer Edwards to undertake a private placement, a \$1 million "best efforts" offering of subordinated convertible promissory notes, with no minimum requirement, that claimed exemption from registration under Rule 506(b) of Regulation D of the Securities Act of 1933.

The ability to lease signage space in high traffic areas was central to DOM's business model. DOM's claim that it had secured prime locations for its signs was a selling point communicated to potential investors by both the Issuer and Spencer Edwards.

In connection with the offering, Quoy distributed to potential investors misleading materials or material that failed to present a balanced statement of the investment's benefits and risks to potential investors. The materials, which were created by DOM, included the PowerPoint presentation, the opportunity summary and the Note Purchase Agreement.

The opportunity summary stated DOM had signage sites "secured by lease agreements" and the PowerPoint presentation said sites were "committed and ready" once funding is complete and "and that DOM had "Protected leases in place and ready to be signed upon funding." The opportunity summary also stated that "all lease contracts have at least a 10-year lifespan with most contracts having a minimum of 20 years, and option to renew these leases agreements." These statements were misleading because DOM had no leases in place, which Quoy had reason to know.

The PowerPoint presentation stated "Over 70 sites committed and ready for digital sign program once funding is complete" and "Protected leases in place and ready to be signed upon funding." These statements were misleading because there were neither 70 committed sites nor protected leases in place. The opportunity summary and the PowerPoint presentation also lacked any discussion of the risks involved in the DOM note investment.

The Note Purchase Agreement contained risk disclosures but failed to mention as a risk DOM's officers' prior securities fraud litigation or judgments and liens which could impact DOM's assets. The misleading statements contained in the DOM materials distributed by Quoy regarding leases and the information omitted from those materials regarding litigation, judgments and liens were material to investors.

FINRA Rule 2210(d)(1)(A) provides that communications with the public about a security may not "omit any material fact or qualification if the omission, in light of the context of the material presented, would cause the communications to be misleading." FINRA Rule 2210(d)(1)(B), in

portinent part, prohibits a member or associated person from distributing any communication which he has reason to know contains any statement which is misleading.

FINRA Rule 2210(d)(1)(D) requires member firms and associated persons to ensure that statements in communications with the public "provide balanced treatment of risks and potential benefits." To be "fair and balanced," the communications must "disclose in a balanced way the risks and rewards of the touted investment." The communications must provide the reader with a basis for evaluating the claims it makes.

By virtue of the foregoing conduct, Quoy violated FINRA Rules 2210(d)(1)(A), (B) and (D) and 2010.

- B. I also consent to the imposition of the following sanctions:
- A 10 business day suspension from association with any FINRA member firm in all capacities; and
  - A fine of \$7,500.

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

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

## 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 waives 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 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

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.

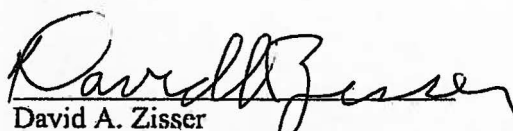
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute 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.

11/8/17  
Date

  
Steven Quoy

Reviewed by:

  
David A. Zisser  
Counsel for Respondent  
Jones & Keller, P.C.  
1999 Broadway, Suite 3150  
Denver, Colorado 80202  
303-785-1689

Accepted by FINRA:

12/4/17

Date

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



Jeffrey P. Bloom

Senior Special Counsel

FINRA, Department of Enforcement

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