

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2020067052701**

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

RE: Gregory Andrews (Respondent)  
Former Investment Banking Representative  
CRD No. 5858207

Pursuant to FINRA Rule 9216, Respondent Gregory Andrews 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**

At various points in time from December 2010 through January 2020, Andrews was registered with FINRA through associations with three different member firms as an Investment Banking Representative. Beginning in April 2020, Andrews was registered with FINRA as an Investment Banking Representative through an association with Tellson Securities. On August 31, 2020, Tellson filed a Uniform Termination Notice for Securities Industry Registration reporting his voluntary termination.<sup>1</sup> Although Andrews is no longer associated with a FINRA member firm, FINRA retains jurisdiction over him pursuant to Article V, Section 4 of FINRA's By-Laws.

**OVERVIEW**

In 2020, while registered with Tellson, Andrews engaged in outside business activity that he did not fully disclose to Tellson. Accordingly, Andrews violated FINRA Rules 3270 and 2010.

**FACTS AND VIOLATIVE CONDUCT**

This matter originated from tips to FINRA's Office of the Whistleblower received in late June 2020.

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

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.

A violation of FINRA Rule 3270 also constitutes a violation of FINRA Rule 2010, which requires FINRA members and their associated persons to “observe high standards of commercial honor and just and equitable principles of trade” in the conduct of their business.

When Andrews joined Tellson in April 2020, his role at the firm was to provide investment banking services to corporate customers. At the time he joined the firm, he orally disclosed that he was the owner and principal of a company (the Company) that engaged in solar energy project development. In June 2020, Andrews submitted a written outside business activity disclosure form to the firm that stated that, through his outside business, he would “Provide CFO duties, management consulting and project development for renewable energy, transportation and pipeline projects.” Tellson approved the outside business as Andrews described it in late July 2020.

While registered with Tellson, Andrews provided consulting services to one technology start-up company and solicited work from a second technology start-up company through the Company. Neither of the technology start-ups were involved with renewable energy, transportation and pipeline projects. Andrews expected, but did not receive, compensation for this work. The services he provided, and solicited providing, were consistent with the kinds of services he was expected to perform through Tellson. Andrews did not adequately disclose his activities to Tellson or otherwise update or amend his outside business activity disclosure form.

Therefore, Andrews violated FINRA Rules 3270 and 2010.

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

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

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

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.

## 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.

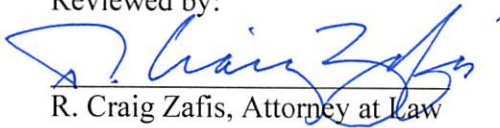
Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the

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.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Gregory Andrews  
Respondent

Reviewed by:



R. Craig Zafis, Attorney at Law  
ZafisLaw  
500 La Terraza Blvd., Suite 150  
Escondido, CA 92025  
Counsel for Respondent

Accepted by FINRA:

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Gregory G. Forfa  
Senior Attorney  
FINRA  
Department of Enforcement  
15200 Omega Drive  
Suite 300  
Rockville, MD 20850-3241

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.

6/14/22  
Date

Gregory Andrews  
Gregory Andrews  
Respondent

Reviewed by:

R. Craig Zafis, Attorney at Law  
ZafisLaw  
500 La Terraza Blvd., Suite 150  
Escondido, CA 92025  
Counsel for Respondent

Accepted by FINRA:

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

6/28/2022  
Date

Gregory G. Ferri  
Gregory G. Ferri  
Senior Attorney  
FINRA  
Department of Enforcement  
15200 Omega Drive  
Suite 300  
Rockville, MD 20850-3241