

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2020068811301**

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

RE: Todd Michael Seymour (Respondent)
Former General Securities Representative
CRD No. 3249733

Pursuant to FINRA Rule 9216, Respondent Todd Michael Seymour 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

Seymour first became registered with FINRA in 2014. He was registered as a General Securities Representative through an association with Morgan Stanley Smith Barney LLC (CRD No. 149777) from June 2014 to February 2017, and through an association with Raymond James Financial Services, Inc. (CRD No. 6694) from February 2017 to December 2020. On December 1, 2020, Raymond James filed a Uniform Termination Notice for Securities Industry Registration (Form U5), disclosing that it had discharged Seymour.

Seymour has not thereafter associated with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.¹

OVERVIEW

Between June 2014 and November 2020, Seymour failed to notify Morgan Stanley and Raymond James about the full nature of his participation in an outside business activity. Exceeding the scope of the firms' approvals of his outside business, Seymour continued to perform the duties of a co-trustee of a customer trust and held bill-paying authority

¹ For more information about the Respondent, visit BrokerCheck® at www.finra.org/brokercheck.

over the trust's bank account. As a result, Seymour violated FINRA Rules 3270 and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from FINRA's review of the Form U5 filed by Raymond James.

FINRA Rule 3270 provides, in relevant part, that:

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 associated persons to "observe high standards of commercial honor and just and equitable principles of trade" in the conduct of their business.

Before becoming associated with any FINRA member firm, Seymour provided tax preparation and trust administration services through his wife's tax and estate business. Beginning around 2010, Seymour also served as co-trustee of Trust A. Both Trust A and the beneficiaries of Trust A later became customers of Seymour at Morgan Stanley and Raymond James.

Upon associating with Morgan Stanley and Raymond James, Seymour sought to continue working for his wife's tax and estate business. In considering Seymour's requests for approval of his outside business activity, each firm placed restrictions on the scope of his participation in the activity. In June 2014, Seymour disclosed to Morgan Stanley that he served as co-trustee of Trust A, and that he worked for his wife's tax and estate business. Morgan Stanley approved Seymour's work for his wife's business as an outside business activity, but prohibited him from continuing to serve as co-trustee for Trust A. When Seymour later became associated with Raymond James in February 2017, he again requested approval to work for his wife's business, but did not disclose to the firm that he provided trust administration services, including performing the duties of a co-trustee for Trust A, through his wife's business. Instead, Seymour's written request for approval described his responsibilities for his wife's business merely as "[t]ax [p]reparation." Raymond James subsequently approved Seymour's work for his wife's business as an outside business activity, but prohibited him from serving as a trustee or maintaining bill-paying authority over any third-party bank account.

Seymour exceeded the scope of his approved outside business activity while he was associated with each firm. From June 2014 to November 2020, Seymour, at the direction of the remaining co-successor trustee, continued to perform the duties of a co-trustee for Trust A, even though both Morgan Stanley and Raymond James had prohibited him from

- 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.

November 22, 2022

Date

Todd M. Seymour

Todd Michael Seymour
Respondent

Reviewed by:

Scott Matasar

Scott Matasar
Counsel for Respondent
Matasar Jacobs LLC
1111 Superior Ave., Suite 1355
Cleveland, OH 44114

Accepted by FINRA:

November 25, 2022

Date

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

Albert A. Starkus III

Albert Anthony Starkus III
Senior Counsel
FINRA
Department of Enforcement
12801 N. Central Expwy. Suite 1050
Dallas, TX 75243