

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2021072641301**

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

RE: Joan Ella Burgio (Respondent)
Former General Securities Representative
CRD No. 5397635

Pursuant to FINRA Rule 9216, Respondent Joan Ella Burgio 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

Burgio began her employment in the securities industry in 2007 when she worked as a Non-Registered Fingerprint person (NRF) at a FINRA member firm. Between October 2017 and March 2019, Burgio was registered as a General Securities Representative (GSR) through her associations with two FINRA member firms. Burgio joined FINRA member Morgan Stanley, in March 2020 in a NRF capacity, and from April 2020 to June 2021, she became registered as a GSR through her association with the firm. From May 2021 until her termination in May 2022, Burgio was registered as a GSR through her association with LPL Financial LLC (LPL), a FINRA member. At Morgan Stanley and LPL, Burgio worked as an administrative associate by providing assistance to other registered representatives and did not have customers of her own.

Although Burgio is not currently registered or associated with a FINRA member firm, she remains subject to FINRA's jurisdiction pursuant to Article V, Section 4(a) of FINRA's By-Laws.¹

OVERVIEW

From April 2020 to April 2022, while associated with Morgan Stanley and LPL, Burgio engaged in undisclosed outside business activities involving a company she incorporated which provided administrative services to a private investment firm.

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

Burgio received compensation totaling approximately \$292,000 from these outside business activities. Burgio did not provide prior written notice to or receive written approval from her two FINRA member employers prior to engaging in these activities. As a result, Burgio violated FINRA Rules 3270 and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a regulatory tip made to FINRA.

FINRA Rule 3270 prohibits registered persons from acting as an employee, independent contractor, sole proprietor, officer, director or partner of another person, or being compensated, or having 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.

Throughout Respondent's associations with Morgan Stanley and LPL, the firms had written supervisory procedures that prohibited their associated individuals from engaging in any outside business activity unless they received prior written approval from the firms.

Between April 2020 and May 2021, while registered and associated with Morgan Stanley, Burgio established Crane & Lotus LLC (C&L), a company she formed for the purpose of providing administrative services to a Florida-based private investment firm (Company A). In April 2020, Burgio incorporated C&L in Wyoming, was the sole owner and employee of C&L and opened a bank account in the name of C&L which she controlled. C&L provided administrative services that included reconciling trades at the direction of Company A, and ensuring Company A's vendors were paid timely. While associated with Morgan Stanley, Respondent was paid approximately \$246,000 in compensation through C&L for the administrative services she provided to Company A.

Between May 2021 and April 2022, after she became associated with LPL, Burgio continued to engage in the C&L outside business activities and provided services to Company A for which she received approximately \$46,000 in compensation. In October 2021, several months after joining LPL, she finally disclosed and requested approval to engage in the activities of C&L, which LPL denied in November 2021. Burgio dissolved C&L as a corporate entity in April 2022.

Respondent did not provide prior written notice to Morgan Stanley and LPL of her C&L outside business activities prior to engaging in them. Additionally, Respondent falsely attested on two Morgan Stanley compliance questionnaires in October 2020 and in January 2021 that she had accurately and fully disclosed her outside business activities. The attestations were false because Respondent did not disclose her outside business activities involving C&L.

By engaging in outside business activities involving C&L without providing prior written notice to Morgan Stanley and LPL, Respondent violated FINRA Rules 3270 and 2010.

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

- a 60-calendar-day suspension from associating with any FINRA member in all capacities; and
- a \$3,500 fine.

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 she is barred or suspended from associating with any FINRA member, she 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, she 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 in this AWC shall be effective on a date set by FINRA.

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 her;
- 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 she 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 she has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent understands and acknowledges that FINRA does not represent or advise her and Respondent cannot rely on FINRA for legal advice. 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 her to submit this AWC.

10/14/2022
Date

Joan Ella Burgio
Joan Ella Burgio
Respondent

Accepted by FINRA:

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

11/15/2022
Date

Jason Mogel
Jason Mogel
Senior Counsel
FINRA
Department of Enforcement
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