

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2012033574501**

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

RE: Brion Patrick Harris (CRD No. 3199095),  
Respondent

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Brion Patrick Harris ("Harris" or "Respondent"), 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**

On March 26, 1999, Harris first became registered with FINRA as an Investment Company and Variable Contracts Products Representative. On February 21, 2000, he became registered with FINRA as a General Securities Representative.

From December 12, 2002 to August 6, 2012, Harris was registered in those two capacities through Lincoln Financial Securities Corporation (BD No. 3870) ("LFSC" or the "Firm"). On August 6, 2012, LFSC filed a Uniform Termination Notice for Securities Industry Registration (Form U5) stating that Harris had been discharged on July 31, 2012 for, among other things, "loss of confidence after discovery of backdated client documents used to meet a product closing deadline."

Since October 2, 2012, Harris has been registered with FINRA as a General Securities Representative and General Securities Principal through another FINRA member firm.

## **RELEVANT DISCIPLINARY HISTORY**

Harris has no relevant formal disciplinary history with the Securities and Exchange Commission, any self-regulatory organization or any state securities regulator.

## **FACTS AND VIOLATIVE CONDUCT**

At various times during March and April 2012, while he was registered with FINRA through an association with LFSC, Harris submitted customer Subscription Documents (e.g., Subscription Agreements, Alternative Investment Worksheets and prospectus delivery receipts) to the Firm that contained backdated signatures. The Subscription Documents were submitted on behalf of eleven customers, including five married couples, and were for six investments totaling \$328,000 in the common stock of a real estate investment trust (the "REIT").

Harris' understanding was that the REIT would accept new investors until April 15, 2012 so long as the Subscription Agreement was dated no later than February 29, 2012.<sup>1</sup> In March and April 2012, Harris informed prospective investors that their Subscription Documents needed to be dated on or before February 29, 2012 if they wanted to invest in the REIT. Consequently, the eleven customers and Harris backdated their respective signatures on several Subscription Documents during those two months. For example, each of those customers actually signed their Subscription Agreement in March or April 2012, but their signatures were dated February 22, 27 or 29, 2012.

Harris did not inform LFSC that the subscription documents contained backdated signatures. The Firm, however, noted certain dating anomalies in the subscription packages and rejected each of the six transactions.

By submitting backdated customer Subscription Documents to the Firm, Harris violated FINRA Rule 2010.

- B. I also consent to the imposition of the following sanctions:
- a suspension from association with any FINRA member in any and all capacities for a period of one month; and
  - a \$5,000 fine.

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<sup>1</sup> The REIT's public offering was registered with the U.S. Securities and Exchange Commission. According to the REIT's prospectus supplement, dated April 5, 2012, "[o]ur general policy is to accept subscription agreements signed by the investor on or before February 29, 2012, which are received in good order." In a memo to all financial advisors, the issuer noted that "[s]ubscription paperwork must be dated no later than February 29, 2012 to ensure that your clients are admitted prior to the close of the offering."

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.

I understand that if I am barred or suspended from associating with any FINRA member, I 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, I 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 herein shall be effective on a date set by FINRA staff.

## 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 waive any right to claim bias or prejudgment of the General Counsel, 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 waive 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:

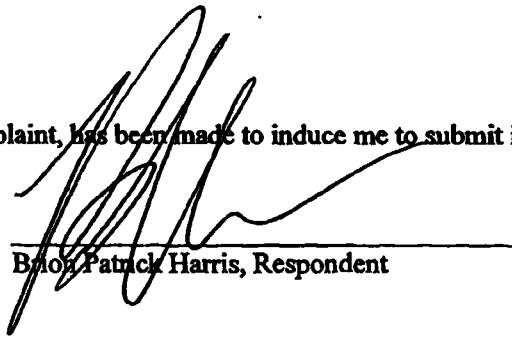
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (“ODA”), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me;
- 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 response to public inquiries about my disciplinary record;
  - 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; and
- 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.

08-14-2013

Date (mm/dd/yyyy)



\_\_\_\_\_  
Brian Patrick Harris, Respondent

Reviewed by:



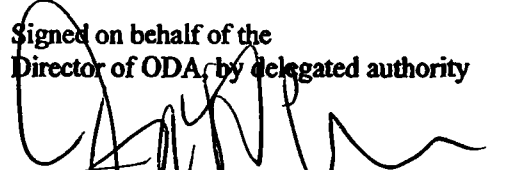
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Harry J. Delagrammatikas, Esq.  
Counsel for Respondent  
McCormick & O'Brien, LLP  
9 East 40<sup>th</sup> Street  
New York, New York 10016  
(212) 286-4471

Accepted by FINRA:

8/22/13

Date

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



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