

There Is a Wrong Way to Do the Right Thing

Many of the situations we handle are difficult and often heartbreaking. For as long as I can remember, my father always helped people no matter the circumstances they faced. At its core, it's the philosophy of serving your fellow man. Over the years, I have strived to lead Precision Financial with the same core values of helping people.

From 2012 to 2016 I guided a Georgia based company and its owner through a potentially devastating financial situation. After pursuing commercial financing and a variety of financial alternatives, I assisted the business owner by finding individuals, whom also happen to be clients of mine, who were in a position to lend him the money.

On the surface this was a great solution. The lenders received their entire principal and the interest promised on the money they loaned. The owner's business continued operating and jobs were protected. The same lenders funded additional loans to two other entities and were repaid in full with interest.

What I failed to do was provide my former Broker Dealer, LPL Financial, written or oral notice of these transactions. Although an approved outside business activity form was on file with LPL, which I believed covered this nature of business; both LPL Financial and FINRA concluded that I should have provided advance notice of these transactions. Regulators considered these to be private securities transactions. The end result was a permanent bar from associating with any FINRA member firm, in any capacity. Sometimes doing the right thing can cost you.

In this circumstance, focusing on the client's problem and not the compliance process cost me my brokerage licenses. The decision to accept FINRA's Letter of Acceptance, Waiver and Consent was a difficult one. The risk to my firm, my professional reputation, consequences to my family and team members came first. Although brokerage business was among the services Precision Financial provided, our cornerstone is Financial Planning and Investment Advisory services. The bar by FINRA in no way affects my ability to act as a Financial Planner or Investment Advisor.

The link below will bring you to FINRA's BrokerCheck where you can read their disclosure.

<https://brokercheck.finra.org/individual/summary/2376943>

In the event you should have any questions, please feel free to contact me and my team. We can be reached at 973-927-6300.

Sincerely,



Michael Babyak Jr. II
President