

# **Investment Advisory Representative Brochure**

## **Jeffrey D. Jones Synergy Investment Group, LLC**

2622 Dale Earnhardt Boulevard  
Kannapolis, North Carolina 28083  
(704) 333-7637

**June 27, 2012**

This Brochure Supplement provides information about Jeffrey D. Jones (“Supervised Person”) that supplements the Synergy Investment Group, LLC Brochure. You should have received a copy of that Brochure. Please contact Joseph Hayes, Chief Compliance Officer, if you did not receive Synergy Investment Group, LLC’s Brochure or if you have any questions about the contents of this supplement.

Additional information about Jeffrey D. Jones is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2- Educational Background and Business Experience**

### Year of Birth

1965

### Education

Pfeiffer College, B.S. Sociology Criminal Justice, 1983-1987

Campbell School of Law, Juris Doctrate, 1987-1990

### Business Experience

Synergy Investment Group, LLC, President, 08/2011-Present

Synergy Investment Group, LLC, General Counsel, 1998-Present

Synergy Investment Group, LLC, Broker/Dealer Registered Representative, 03/2001-03/2012

JBS Liberty Securities, Inc., President, 08/2011-Present

JBS Liberty Securities, Inc., Chief Compliance Officer, 06/2007-01/2012; 04/2012-Present

JBS Liberty Securities, Inc., Broker/Dealer Registered Representative, 06/2007-Present

## **Item 3- Disciplinary History**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. The following information is applicable to this Item.

On June 29, 2011, FINRA initiated an action alleging Synergy failed to establish, maintain, and enforce an effective supervisory system pertaining to the receipt of securities certificates and private securities transactions conducted by registered representatives away from Synergy. More so, Synergy failed to timely disclose complaints, arbitrations, and an order issued by Nebraska to FINRA on registered representatives' registration form. Without Synergy admitting or denying FINRA's findings, the matter was resolved with Synergy accepting a fine of \$20,000 and censure. .

On April 5, 2011, FINRA initiated an action alleging Synergy did not maintain adequate written supervisory procedures pertaining to the due diligence of private placements and did not enforce procedures that were in effect at the time regarding private placements. Without Synergy admitting or denying FINRA's findings, the matter was resolved with Synergy accepting a fine of \$20,000, a censure, and restitution payments to customers in the amount of \$148,750. Jeffrey D. Jones was fined in the amount of \$10,000 and was suspended from acting in a principal capacity for a period of 3 months.

On December 8, 2009, FINRA initiated an action alleging Synergy engaged in securities business while failing to maintain the required minimum net capital, maintained materially inaccurate net capital computations, and submitted inaccurate FOCUS IIA reports to the SEC and FINRA as a result of failing to reflect an unsecured debit balance on its books and records. Without Synergy admitting or denying FINRA's findings, the matter was resolved with Synergy accepting a monetary fine of \$25,000 and a censure.

On August 7, 2009, FINRA initiated an action alleging. FINRA alleged Synergy failed to adequately enforce its own procedures or otherwise comply with NASD regulations governing anti-money laundering. FINRA alleged the firm: 1) failed to establish and implement policies designed to detect and cause the reporting of suspicious customer activity; 2) failed to detect, investigate, and conduct due diligence when red flags associated with suspicious activity were present; 3) failed to file suspicious activity reports; 4) did not follow its supervisory procedures in not conducting an appropriate risk-based due diligence for correspondent accounts of foreign financial institutions and monitoring

suspicious activity within those accounts; 5) did not file suspicious activity reports on individuals possibly engaged in insider trading; 6) failed to perform customer identification reviews in accordance to its procedures; 7) did not adequately test its anti-money laundering program for a period of two years; and 8) did not conduct training on anti-money laundering. FINRA further alleged Synergy 1) did not provide its customer documents disclosing the compensation being paid to foreign finders; 2) the firm used foreign finders who did not meet the requirements to receive such compensation; 3) confirmations to customers who were referred by foreign finders did not indicate a referral fee was being paid to the foreign finder; 4) failed to establish and maintain a supervisory system reasonably designed to achieve compliance rules relating to its foreign finders and foreign associates business; 5) failed to establish and maintain a supervisory system designed to achieve compliance with FINRA's advertising rules; 6) failure to approve additions and changes to the firm's web site; 7) failing to maintain all advertisements in a separate file; 8) failing to meet FINRA requirements that advertisements containing references to options, mutual funds, and variable annuities require filing with FINRA; 9) used advertisements that did not meet option communication standards; and using a web site containing links to misleading web sites and that contained exaggerated and unwarranted statements. Without Synergy admitting or denying FINRA's findings, the matter was resolved with Synergy accepting a monetary fine of \$75,000 and a censure.

On November 2, 2006, FINRA initiated an action against Synergy's affiliate, JBS Liberty Securities, for failing to file termination notices within required time periods. Without JBS Liberty Securities admitting or denying FINRA's findings, the matter was resolved with Synergy accepting a monetary fine of \$7,500 and a censure.

On April 4, 2006, FINRA entered into an action against Synergy and Jeffrey D. Jones, Chief Compliance Officer at the time and management personnel of Synergy, for failing to establish, maintain, and enforce a supervisory system reasonably designed to achieve compliance with laws, rules, and regulations concerning Synergy's on-line and discount brokerage business. Without Synergy or Jeffrey D. Jones admitting or denying FINRA's findings, the matter was resolved with Synergy and Jeffrey D. Jones accepting jointly and severally a monetary fine of \$25,000 and a censure with Jeffrey D. Jones being suspended from serving as a principal for ten business days.

On March 26, 2004, FINRA entered an action against Synergy and Jeffrey D. Jones, Chief Compliance Officer at the time and management personnel of Synergy, for failing to report transactions to FINRA through the Order Audit Trail System and failing to have adequate supervisory system for reporting events through the Order Audit Trail System. Without Synergy or Jeffrey D. Jones admitting or denying FINRA's findings, the matter was resolved with Synergy and Jeffrey D. Jones accepting jointly and severally a monetary fine of \$9,000 and a censure with requirements to correct its supervisory system.

On January 14, 2004, FINRA entered an action against Synergy and Jeffrey D. Jones, Chief Compliance Officer at the time and management personnel of Synergy, for receiving customer complaints and failing to report the customer complaints timely to FINRA. Without Synergy or Jeffrey D. Jones admitting or denying FINRA's findings, the matter was resolved with Synergy and Jeffrey D. Jones accepting jointly and severally a monetary fine of \$5,000 and a censure.

#### **Item 4- Other Business Activities**

In addition to Jones' role with the Advisor, Jones is engaged in other business activities. Jones serves as President of JBS Liberty Securities, LLC, an affiliate of Synergy Investment Group, LLC that is registered as a broker/dealer with FINRA, the SEC, and various states. Jones does not service clients or sells any securities for Synergy Investment Group, LLC or JBS Liberty Securities, LLC. Jones also owns and operates Jones Law Firm, engaged in the practice of general law. He also owns and operates Jebito, LLC, a building leasing company.

#### **Item 5- Additional Compensation**

Jeffrey D. Jones does not receive economic benefits in the form of awards, bonuses and prizes from any person or entity. Jones is compensated by salary. Jones does not currently provide advice or advisory services on behalf of clients. Jones' role is limited to that of General Counsel at Synergy Investment Group, LLC.

#### **Item 6 - Supervision**

Joseph Hayes, Chief Compliance Officer, and any designee he may appoint are responsible for the supervision of Jones. Palladino can be contacted at (704) 333-7637.

#### **Item 7- Requirements for State-Registered Advisers**

Registered investment advisers are required to disclose all material facts regarding any reportable events that would be material to your evaluation of each supervised person providing investment advice. The following information, which is the same information as reported under Item 3, is being reported.

On June 29, 2011, FINRA initiated an action alleging Synergy failed to establish, maintain, and enforce an effective supervisory system pertaining to the receipt of securities certificates and private securities transactions conducted by registered representatives away from Synergy. More so, Synergy failed to timely disclose complaints, arbitrations, and an order issued by Nebraska to FINRA on registered representatives' registration form. Without Synergy admitting or denying FINRA's findings, the matter was resolved with Synergy accepting a fine of \$20,000 and censure.

On April 5, 2011, FINRA initiated an action alleging Synergy did not maintain adequate written supervisory procedures pertaining to the due diligence of private placements and did not enforce procedures that were in effect at the time regarding private placements. Without Synergy admitting or denying FINRA's findings, the matter was resolved with Synergy accepting a fine of \$20,000, a censure, and restitution payments to customers in the amount of \$148,750. Jeffrey D. Jones was fined in the amount of \$10,000 and was suspended from acting in a principal capacity for a period of 3 months.

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