

BEFORE THE NATIONAL ADJUDICATORY COUNCIL
FINANCIAL INDUSTRY REGULATORY AUTHORITY

In The Matter of
The Association of

Joseph Campo

as a

Non-Registered Fingerprinted Individual

with

Moelis & Company LLC

Notice Pursuant to
Rule 19h-1
Securities Exchange Act
of 1934

SD-2186

December 11, 2019

I. Introduction

On December 15, 2017, Moelis & Company LLC (“Moelis” or the “Firm”) filed a Membership Continuance Application (“MC-400” or “Application”) with FINRA’s Department of Registration and Disclosure, seeking to permit Joseph Campo, a person subject to a statutory disqualification, to associate with the Firm as a non-registered fingerprinted individual. A hearing was not held in this matter. Rather, pursuant to FINRA Rule 9523, FINRA’s Department of Member Supervision (“Member Supervision”) recommended that the Chair of the Statutory Disqualification Committee, acting on behalf of the National Adjudicatory Council, approve Campo’s association with the Firm pursuant to the terms and conditions set forth below.

For the reasons explained below, we approve the Firm’s Application.

II. Campo’s Statutorily Disqualifying Event

Campo is subject to statutory disqualification because of his July 7, 2011 guilty plea to, and conviction for, conspiracy to distribute and possess with intent to distribute marijuana, a felony under federal law.¹ A federal court sentenced Campo to three years’ probation, ordered that he participate in a drug treatment program and perform 200 hours

¹ FINRA’s By-Laws provide that a person is subject to “disqualification,” and thus must seek and obtain FINRA’s approval prior to associating with a member firm, if he is disqualified under Section 3(a)(39) of the Securities Exchange Act of 1934 (“Exchange Act”). See FINRA By-Laws, Article III. Exchange Act Section 3(a)(39)(F) provides that a person is subject to a statutory disqualification if he has been convicted of any felony within 10 years of the date of the filing of an application to associate with a member firm.

of community service, and pay \$100 in costs. Campo complied with all conditions of his sentence, and he was discharged from probation in December 2014.

In the Application, Campo states that he was 18 years old when he was approached by an old acquaintance, who told Campo that he could “make fast and easy money by playing the middle man” between two individuals. Campo would meet one individual to pick up marijuana, and drive it to another individual. He did this “upwards of 30 times” during a six-month period in 2010. Campo stated that his participation in this activity was “the biggest mistake of [his] life” and he has the “deepest regrets and remorse for [his] participation in the event and the negative impact it had on society.” He described himself as “young and frankly stupid” at the time of the events and that he is “not the person [he] was seven years ago.”

III. Campo’s Background

Campo has no registration history because this is his first association with any FINRA member. Other than his disqualifying event, the record shows no other criminal or regulatory history.

Although he was arrested in February 2011, Campo continued his education at a community college, where he maintained a 3.7 G.P.A. Campo completed his education at Baruch College Zicklin School of Business, where he earned a Bachelor of Business Administration in May 2014. While attending Baruch College, Campo began working at a small software company, which developed accounting operations software. Campo worked at this company for four years as an implementation consultant, sales strategist, and marketing manager. Some of his duties included implementing software products for applications relating to financial accounting, operations management, and sales.

Campo left the software company in September 2017, when he began working for Moelis & Company Group, LP (“MCG”), the Firm’s parent company. Campo’s current activities at MCG are limited to performing support operations and business analysis for MCG’s human resources system. Campo’s current supervisor at MCG praised Campo’s work and described him as a person of good character, reliable, and trustworthy.

IV. Background of the Firm

The Firm is based in New York City, and has been a FINRA member since December 2007. It is a limited broker-dealer approved to act as an underwriter or selling group participant, to engage in private placements, and merger and acquisition advisory services. The Application represents that the Firm has six Offices of Supervisory Jurisdiction (“OSJs”) and seven branch offices. It employs 47 registered principals and

371 registered representatives. The Firm currently does not employ any other individuals who are subject to statutory disqualification.

A. Recent FINRA Cycle Examination History

FINRA conducted an examination of the Firm in 2018, which resulted in a Cautionary Action for failing to report a civil complaint in which it was named as a defendant. The Firm responded in writing to this noted deficiency.

B. Formal Disciplinary History

The record does not show any disciplinary or regulatory actions against the Firm.

V. Campo's Proposed Business Activities

The Firm proposes that Campo will work as an applications engineer. Campo's primary responsibilities will include, among other things, the ongoing administration, maintenance, and operation of projects related to the Firm's enterprise-wide systems (which include Workday, Dynamics, and Salesforce). Campo's tasks will include account management, user and data security, reporting, systems integrations, scripting and configuration, along with the creation of business processes and workflows.

The Firm proposes that Campo will work from its New York City office, and be paid an annual salary plus discretionary bonuses not based on commissions. Further, the Firm represents that Campo does not interact with the Firm's clients; however, his work may provide him access to some client information, such as client company names, invoice data, and projected billings.

VI. Campo's Proposed Supervision

The Firm designated Chris Callesano ("Callesano"), the Firm's principal accounting officer, corporate controller, and a managing director, to serve as Campo's on-site primary supervisor. Callesano registered as a financial operations principal in September 2019, and he has more than 20 years of finance and accounting experience, mostly within the financial industry. Callesano has been associated with the Firm since November 2010, and the Firm represents that he currently has five direct reports. He was previously associated with one other firm. The record shows no customer complaints, arbitrations, or other regulatory, disciplinary, or criminal history for Callesano.

If Callesano is out of the office, the Firm designated Joseph Walter Simon ("Simon") to serve as Campo's alternate supervisor. Simon is the Firm's chief financial officer, and also works from the Firm's New York City office. He registered as a financial operations principal in October 2010, and was approved as an operations professional in October 2011. Simon has been associated with the Firm since July 2010, and the Firm represents that he currently supervises two back office personnel, 34 non-registered individuals in the Firm's information technology department, and 27 non-registered individuals in the Firm's finance department. He was previously associated

with seven member firms. The record shows no customer complaints, arbitrations, or other regulatory, disciplinary, or criminal history for Simon.

VII. Discussion

After carefully reviewing the entire record in this matter, we approve the Firm's Application to employ Campo as a non-registered fingerprinted individual, subject to the supervisory terms and conditions set forth below.

The Firm has the burden of demonstrating that Campo's association with the Firm is in the public interest and does not create an unreasonable risk of harm to the market or investors. *See Continued Ass'n of X*, Redacted Decision No. SD06002, slip op. at 5 (NASD NAC 2006), https://www.finra.org/sites/default/files/NACDecision/p036476_0.pdf; *see also Frank Kufrovich*, 55 S.E.C. 616, 624 (2002) (holding that FINRA "may deny an application by a firm for association with a statutorily-disqualified individual if it determines that employment under the proposed plan would not be consistent with the public interest and the protection of investors"); FINRA By-Laws, Article III, Section 3(d) (providing that FINRA may approve association of statutorily disqualified person if such approval is consistent with the public interest and the protection of investors).

In reviewing this type of application, we have considered whether the particular felony at issue, examined in light of the circumstances related to the felony and other relevant facts and circumstances, creates an unreasonable risk of harm to the market or investors. *See Kufrovich*, 55 S.E.C. at 625-26 (upholding FINRA's denial of a statutory disqualification applicant who had committed non-securities related felonies "based upon the totality of the circumstances" and FINRA's explanation of the bases for its conclusion that the applicant would present an unreasonable risk of harm to the market or investors). We assess the totality of the circumstances in reaching a judgment about Campo's future ability to work in the securities industry in a manner that comports with FINRA's requirements for high standards of commercial honor and just and equitable principles of trade in the conduct of his business.

For the reasons set forth below, we conclude that the Firm has satisfied its burden and Campo's participation in the securities industry, subject to the supervisory terms and conditions set forth below, will not present an unreasonable risk of harm to the market or investors.

We acknowledge the seriousness of Campo's criminal conviction. We note, however, that his felony conviction did not involve securities or fraudulent misconduct. We further note that Campo's conviction occurred more than eight years ago. We are not aware of any misconduct by Campo since his disqualifying felony conviction. Moreover, since Campo's conviction, he has—in addition to completing the terms of his sentence—graduated from college and been gainfully employed. Campo also was discharged from probation almost five years ago. Overall, Campo's conduct in the eight years since his disqualification weighs in favor of the Application and shows that he will be able to conduct himself in a manner that comports with FINRA's requirements for high

standards of commercial honor and just and equitable principles of trade in the conduct of his business.

We also find that the Firm has no regulatory or disciplinary history, and note that the Firm is a limited broker-dealer that does not service retail customers. Further, we find that Campo's proposed supervisors, Callesano and Simon, are well-qualified to supervise Campo. Both individuals have the requisite qualifications to supervise Campo, will supervise Campo on-site, and both have unblemished regulatory histories.² We also find that the Firm's heightened supervisory plan is comprehensive and tailored to Campo and his disqualifying event. Moreover, Campo's business activities at the Firm working as an applications engineer will be limited, and Campo has successfully performed similar duties for MCG for more than two years.

We find that the following heightened supervisory procedures, if they are diligently followed, will enable the Firm to reasonably monitor Campo's activities on a regular basis:³

1. Callesano will serve as Campo's primary supervisor and Simon will serve as Campo's alternate supervisor when Callesano is unavailable. Should Simon supervise Campo for any period of time during Callesano's absence, Callesano shall review Simon's supervision upon his return and include a memorandum to the file evidencing his review. This document will be kept segregated for ease of review during any statutory disqualification ("SD") examination;*
2. For the duration of Campo's statutory disqualification, Moelis will obtain prior approval from Member Supervision if the Firm wishes to change Campo's responsible supervisor to another person;*
3. Campo will be subject to the Firm's Personal Trading Policy, including the requirement that his brokerage accounts be disclosed and monitored by the Firm;
4. For the duration of Campo's statutory disqualification, Campo will be subject to periodic, but no less than annually, random drug testing;*
5. For the duration of Campo's statutory disqualification and by using a third-party vendor, Moelis will conduct a semi-annual public records search to ascertain whether Campo has any criminal disclosures and will

² Although Callesano has only recently registered as a financial operations principal, Member Supervision has represented that it is comfortable that Callesano is capable of stringently supervising Campo based upon his experience in financial accounting and reporting.

³ Any provision noted with an asterisk is special for Campo and not required of the Firm's registered representatives.

subsequently review Campo's regulatory disclosures to ensure that he has complied with his regulatory disclosure obligations. Callesano will document the outcome of each public records search and will maintain and keep segregated all documents related to the public records search and reviews for ease of review during any SD examination;*

6. All complaints pertaining to Campo, whether verbal or written, will be immediately referred to Callesano, who will prepare a memorandum to the file as to what measures were taken to investigate the merits of the complaint (e.g., contact with customer) and the resolution of the matter. Documents pertaining to these complaints should be kept segregated for ease of review during any SD examination;*
7. For the duration of Campo's statutory disqualification, Callesano and Campo will meet quarterly to discuss and review general job performance, attendance record, and the supervision plan outlined herein. Callesano will prepare a memorandum of each such meeting and preserve it in a readily accessible place for review during any SD examination;*
8. Callesano will review a 10% random sample of Campo's incoming and outgoing written correspondence monthly, which will include e-mail communications;*
9. For the purposes of client communication, Campo will only be allowed to use an e-mail account that is held at the Firm, with all emails being filtered through the Firm's e-mail system. If Campo receives a business-related e-mail message in another e-mail account outside the Firm, he will immediately deliver that message to the Firm's e-mail account. In addition, Campo will inform the Firm of all outside e-mail accounts which he maintains and will provide the Firm access to the accounts upon request. The e-mail messages are to be preserved and kept segregated for ease of review during any SD examination;*
10. Campo will certify monthly that he is complying with the Firm's procedures and processes, including the Firm's written supervisory procedures addressing the use and handling of confidential client information. Campo's certification should be kept segregated for ease of review during any SD examination. Additionally, the Firm will restrict Campo's access to information concerning public company clients so that he will need specific permission for access to this type of information from Callesano or the alternate supervisor;*
11. Callesano will certify on a quarterly basis (i.e., March 31st, June 30th, September 30th, and December 31st), that the Firm is in compliance with all the above conditions of heightened supervision to be accorded to a disqualified individual. Additionally, Campo will certify on a quarterly basis (i.e., March 31st, June 30th, September 30th, and December 31st), that

he is in compliance with all the above conditions of heightened supervision.*

FINRA certifies that: (1) Campo meets all applicable requirements for the proposed employment; (2) the Firm has represented that Campo and Callesano and Simon are not related by blood or marriage; and (3) the Firm does not currently employ any other individuals who are subject to statutory disqualification.

VIII. Conclusion

Accordingly, we approve the Firm's Application to employ Campo as a non-registered fingerprinted individual, subject to the above-mentioned heightened supervisory procedures. In conformity with the provisions of Exchange Act Rule 19h-1, the association of Campo with the Firm will become effective within 30 days of the receipt of this notice by the Commission, unless otherwise notified by the Commission. FINRA requests that the Commission not direct FINRA to bar Campo from associating with the Firm pursuant to Exchange Act Section 15A(g)(2).

On Behalf of the National Adjudicatory Council,



Jennifer Mitchell Piorko

Vice President and Deputy Corporate Secretary