

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

V.

JOSEPH JOHN WEINRICH  
(CRD No. 461987),

Respondent.

Disciplinary Proceeding  
No. 2018058611601

Hearing Officer–RES

**DEFAULT DECISION**

January 4, 2022

**Respondent is fined \$5,000 and suspended for 30 business days from associating with any FINRA member in any capacity for willfully failing to timely amend his Form U4 to disclose a Chapter 7 bankruptcy petition and making false and inaccurate statements to his employer firm.**

*Appearances*

For the Complainant: Loyd Gattis, Esq., Gerald W. Sawczyn, Esq., Tiffany Buxton, Esq., and Richard Chin, Esq., Department of Enforcement, Financial Industry Regulatory Authority

For the Respondent: No appearance

**DECISION**

**I. Introduction**

The Department of Enforcement filed a Complaint alleging two causes of action against Respondent Joseph John Weinrich, formerly a registered representative. The Complaint alleges that Respondent (1) willfully failed to timely disclose his filing of a Chapter 7 bankruptcy petition on his Uniform Application for Securities Industries Registration or Transfer (Form U4) in violation of Article V, Section 2(c) of FINRA’s By-Laws and FINRA Rules 1122 and 2010 (First Cause of Action), and (2) made false and inaccurate statements about his bankruptcy petition to his employer firm on an annual compliance questionnaire in violation of FINRA Rule 2010 (Second Cause of Action).<sup>1</sup> After Enforcement filed the Complaint, Respondent failed to appear in two pre-hearing conferences. I scheduled a telephonic hearing in which Respondent

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<sup>1</sup> Complaint (“Compl.”) ¶ 1.

was ordered to show cause why he should not be held in default. Respondent failed to appear in the show-cause hearing.

At my direction, Enforcement filed a motion for entry of default decision (“Default Motion”). Respondent did not file an opposition to the Default Motion. For the reasons stated below, I find Respondent in default, deem admitted all allegations in the Complaint against him, grant the Default Motion, and issue this Default Decision.

## **II. Findings of Fact and Conclusions of Law**

### **A. Respondent’s Background**

Weinrich is 89 years old.<sup>2</sup> Respondent was employed in the securities industry beginning in 1970 and over the years was associated with several FINRA member firms.<sup>3</sup> In August 1999, Respondent became registered with FINRA as a General Securities Representative (GSR) through an association with Moloney Securities Co. (“Moloney”), a FINRA member firm. His association with Moloney was terminated in May 2018.<sup>4</sup> He became registered with FINRA as a GSR through an association with B.B. Graham & Co. (“Graham”), a FINRA member firm, in December 2019. His association with Graham was terminated in July 2020.<sup>5</sup> Since that time, Respondent has not been registered or associated with a FINRA member firm.

### **B. Jurisdiction**

Although Respondent is no longer registered or associated with a FINRA member firm, he remains subject to FINRA’s jurisdiction under Article V, Section 4 of FINRA’s By-Laws for purposes of this proceeding because the Complaint (1) was filed while Respondent was associated with a FINRA member firm, (2) was filed within two years following the effective date of the termination of Respondent’s registration through another FINRA member firm, and (3) charges Respondent with misconduct committed while he was registered through a FINRA member firm.<sup>6</sup>

### **C. Origin of the Investigation**

In January 2019, FINRA opened an investigation after reading a Uniform Termination Notice for Securities Industry Registration (Form U5), dated May 22, 2018, reporting that Respondent’s association with Moloney had been terminated for his failure to comply with

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<sup>2</sup> Complainant’s Exhibit 1, at 1.

<sup>3</sup> Declaration of Gerald W. Sawczyn in Support of Motion for Entry of Default Decision (“Sawczyn Decl.”) ¶ 4.

<sup>4</sup> *Id.* at ¶ 4.

<sup>5</sup> *Id.* at ¶ 5.

<sup>6</sup> *Id.* at ¶¶ 6, 7; FINRA By-Laws, Art. V, § 4(a).

policies and procedures and issues arising from disputes with customers. FINRA also received an anonymous tip that Respondent had failed to disclose a bankruptcy on his Form U4.<sup>7</sup>

#### **D. Respondent's Default**

This matter was scheduled for a hearing in October 2020.<sup>8</sup> I continued the hearing date *sine die* because of the COVID-19 pandemic. On September 1, 2021, I issued an Order Setting Pre-Hearing Status Conference scheduling a telephonic pre-hearing conference (“PHC”) for September 30, 2021, at 10:00 a.m. Eastern Time. The purpose of the PHC was to set a new pre-hearing schedule. When the PHC convened on the scheduled date and time, Respondent failed to appear.

That same day, I issued an order rescheduling the PHC for October 7, 2021, at 10:00 a.m. Eastern Time.<sup>9</sup> When the rescheduled PHC convened on the scheduled date and time, Respondent failed to appear. That same day, I issued an Order to Show Cause, setting a telephonic hearing date of October 27, 2021, as to why Respondent should not be held in default under FINRA Rules 9241 and 9269. Respondent failed to appear in the show-cause hearing.

I find that Respondent's failure to appear in the PHC and the rescheduled PHC violates FINRA Rules 9241 and 9269, and Respondent has defaulted in this proceeding.

#### **E. Respondent's Default Warrants a Default Decision**

FINRA Rule 9241 provides that “[t]he Hearing Officer may issue a default decision, pursuant to FINRA Rule 9269, against a Party that fails to appear . . . at a pre-hearing conference of which the Party has due notice.”<sup>10</sup> Respondent had due notice of the PHC and the rescheduled PHC. The Office of Hearing Officers sent Respondent orders scheduling these conferences, warning of the possible consequences of not appearing. In the order for the rescheduled PHC, I stated, “Respondent is reminded that a failure to appear at the Conference, in person or through counsel or a representative, may be deemed a default.” I find a default decision against Respondent is warranted.<sup>11</sup>

When a respondent defaults through failure to appear in a pre-hearing conference, FINRA Rule 9269 authorizes the Hearing Officer to treat the allegations in the Complaint as

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<sup>7</sup> Sawczyn Decl. ¶ 3.

<sup>8</sup> *Id.* at ¶ 8.

<sup>9</sup> *Id.* at ¶ 11.

<sup>10</sup> FINRA Rule 9241(f).

<sup>11</sup> Respondent is hereby notified that he may move to set aside this Default Decision under FINRA Rule 9269(c) if he can show good cause.

admitted.<sup>12</sup> I find Respondent committed the violations charged in the Complaint and impose remedial sanctions.

**F. Respondent Failed to Timely Amend his Form U4 to Disclose his Chapter 7 Bankruptcy Petition**

**1. Governing Law**

In the first cause of action of the Complaint, Enforcement charges Respondent with violating Article V, Section 2(c) of FINRA’s By-Laws and FINRA Rules 1122 and 2010 by willfully failing to timely amend his Form U4 to disclose his Chapter 7 bankruptcy petition. Article V, Section 2(c) of FINRA’s By-Laws requires “[e]very application for registration . . . [to] be kept current at all times by supplementary amendments,” which must “be filed with [FINRA] not later than 30 days after learning of the facts or circumstances giving rise to the amendment.”<sup>13</sup> FINRA Rule 1122 prohibits an associated person from failing to correct an incomplete or inaccurate FINRA filing after notice of the deficiency or inaccuracy:

No member or person associated with a member shall file with FINRA information with respect to membership or registration which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof.

FINRA Rule 1122 applies to Form U4, which FINRA uses to screen applicants and monitor their fitness for registration in the securities industry.<sup>14</sup> The associated person has the obligation to ensure that the information in his Form U4 is truthful and accurate,<sup>15</sup> and must keep it current at all times.<sup>16</sup> Accurate and timely amendments to Form U4 assure regulatory organizations, employers, and members of the public that they have all fact-based, current, and material information about the associated person.<sup>17</sup>

Question 14K(1) of Form U4 asks, “Within the past 10 years have you made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition?” If the answer is “yes,” the associated person must provide details about the compromise or bankruptcy petition.<sup>18</sup>

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<sup>12</sup> FINRA Rule 9269(a)(2).

<sup>13</sup> FINRA By-Laws, Art. V, § 2(c).

<sup>14</sup> *Michael Earl McCune*, Exchange Act Release No. 77375, 2016 SEC LEXIS 1026, at \*10 (Mar. 15, 2016).

<sup>15</sup> *Dep’t of Enforcement v. Wyche*, No. 2015046759201, 2019 FINRA Discip. LEXIS 2, at \*8 (NAC Jan. 8, 2019).

<sup>16</sup> *Allen Holeman*, Exchange Act Release No. 86523, 2019 SEC LEXIS 1903, at \*17 (July 31, 2019), *petition for review denied*, No. 19-1251, 2021 U.S. App. LEXIS 208 (D.C. Cir. Jan. 5, 2021).

<sup>17</sup> *Dep’t of Enforcement v. Riemer*, No. 2013038986001, 2017 FINRA Discip. LEXIS 38, at \*8-9 (NAC Oct. 5, 2017), *aff’d*, Exchange Act Release No. 84513, 2018 SEC LEXIS 3022 (Oct. 31, 2018).

<sup>18</sup> Compl. ¶ 10.

## 2. Facts Showing a Violation

On May 18, 2017, Respondent and his spouse filed a joint Chapter 7 bankruptcy petition in the United States Bankruptcy Court for the District of Kansas.<sup>19</sup> Respondent had notice of his bankruptcy petition at that time.<sup>20</sup> He was registered with FINRA through his association with Moloney when he filed for bankruptcy.<sup>21</sup> He failed to amend his Form U4 within 30 days to disclose his petition.<sup>22</sup> Between May 2017 and May 2018, when his association with Moloney ended, he amended his Form U4 four times.<sup>23</sup> He failed to disclose his petition when he filed these amendments.<sup>24</sup> Respondent's failure to disclose his bankruptcy petition continued until October 2019.<sup>25</sup>

Respondent was required to report his bankruptcy petition in his Form U4 within 30 days of filing the petition, but he failed to do so.<sup>26</sup> His failure violated Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010.

## 3. Respondent's Violation Was Willful

The Complaint alleges that Respondent's violation of Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010 was willful. An associated person who willfully omits a material fact required to be disclosed in an application or report to FINRA is subject to statutory disqualification.<sup>27</sup> A willful violation means the associated person intentionally commits the act that constitutes the violation.<sup>28</sup> In the context of Form U4, an associated person commits a willful violation if he "subjectively intend[s] to omit material information from' his required disclosures."<sup>29</sup> Willfulness does not require that the associated person know he is violating FINRA By-Laws or Rules.<sup>30</sup>

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<sup>19</sup> *Id.* at ¶ 11.

<sup>20</sup> *Id.* at ¶ 12.

<sup>21</sup> *Id.* at ¶ 13.

<sup>22</sup> *Id.* at ¶¶ 15, 16.

<sup>23</sup> *Id.* at ¶ 17.

<sup>24</sup> *Id.* at ¶ 18.

<sup>25</sup> *Id.* at ¶ 21.

<sup>26</sup> *Id.* at ¶¶ 15, 16, 21.

<sup>27</sup> Section 3(a)(39) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78c(a)(39); Section 15(b)(4)(A) of the Exchange Act, 15 U.S.C. § 78o(b)(4)(A); FINRA By-Laws Art. III, § 4; *McCune*, 2016 SEC LEXIS 1026, at \*14. Form U4 is a required application to FINRA within the meaning of Sections 3(a)(39) and 15(b)(4)(A) of the Exchange Act.

<sup>28</sup> *Richard Allen Riemer*, Exchange Act Release No. 84513, 2018 SEC LEXIS 3022, at \*13 (Oct. 31, 2018).

<sup>29</sup> *Holeman*, 2019 SEC LEXIS 1903, at \*38 (quoting *Robare v. SEC*, 922 F.3d 468, 479 (D.C. Cir. 2019)).

<sup>30</sup> *Holeman*, 2019 SEC LEXIS 1903, at \*37.

The facts alleged in the Complaint show that Respondent's failure to file an amended Form U4 disclosing his Chapter 7 bankruptcy petition was willful. Respondent knew about the bankruptcy petition and the obligation to disclose it. He thus had a choice: he could disclose the petition, or he could remain silent and hope no one found out about it. He chose to remain silent. He did not disclose the petition for two years. I find Respondent acted with subjective intent.

#### 4. Respondent's Violation Was Material

The Complaint alleges that Respondent's bankruptcy petition was material information.<sup>31</sup> A fact not disclosed on Form U4 is material if there is a substantial likelihood that a reasonable regulator, employer, or customer would view the fact as significantly altering the total mix of information made available.<sup>32</sup> Materiality is an objective standard.<sup>33</sup> Because of the importance the securities industry places on full and accurate disclosure, all information reportable on Form U4 is presumed to be material.<sup>34</sup> Accurate disclosure on Form U4 of an associated person's serious financial problems is of inarguable importance in the industry.<sup>35</sup> Such problems raise concerns about whether the associated person can responsibly manage his own financial affairs and casts doubt on his ability to provide trustworthy financial advice and services to investors relying on him to act on their behalf.<sup>36</sup>

Respondent's bankruptcy petition was material. Reasonable regulators, employers, and customers would view the bankruptcy petition as significantly altering the total mix of information made available about Respondent. The length of time Respondent failed to disclose the petition—two years—would raise concerns about his ability to manage his financial affairs, the financial pressures he was facing, and his ability to comply with FINRA By-Laws and Rules.

\* \* \*

Respondent violated Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010 by his willful failure to amend his Form U4 to disclose his bankruptcy petition, as alleged in the first cause of action. Because Respondent's violation was willful and the information he failed to disclose was material, he is subject to statutory disqualification from the securities industry.<sup>37</sup>

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<sup>31</sup> Compl. ¶ 14.

<sup>32</sup> *Riemer*, 2018 SEC LEXIS 3022, at \*15-16.

<sup>33</sup> *McCune*, 2016 SEC LEXIS 1026, at \*23.

<sup>34</sup> *Dep't of Enforcement v. Holeman*, No. 20140430001601, 2018 FINRA Discip. LEXIS 12, at \*19 (NAC May 21, 2018), *aff'd*, Exchange Act Release No. 86523, 2019 SEC LEXIS 1903 (July 31, 2019).

<sup>35</sup> *Robert D. Tucker*, Exchange Act Release No. 68210, 2012 SEC LEXIS 3496, at \*47 (Nov. 9, 2012).

<sup>36</sup> *Dep't of Enforcement v. The Dratel Grp., Inc.*, No. 2009016317701, 2015 FINRA Discip. LEXIS 10, at \*52 (NAC May 6, 2015).

<sup>37</sup> *See supra*, note 27.

### **G. Respondent Made False and Inaccurate Statements to his Employer Firm in His Annual Compliance Questionnaire**

In the second cause of action, Enforcement charges Respondent with violating FINRA Rule 2010 by making false and inaccurate statements to his employer firm in an annual compliance questionnaire. FINRA Rule 2010 requires that “[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.”<sup>38</sup> Conduct that reflects poorly on an associated person’s ability to comply with regulatory requirements fundamental to the securities industry is inconsistent with such standards and principles.<sup>39</sup> FINRA Rule 2010 proscribes all unethical, business-related conduct, even if it is not in connection with securities or a securities transaction.<sup>40</sup> FINRA Rule 2010 includes an associated person’s obligation to disclose material information to his employer firm.<sup>41</sup> The associated person’s false or inaccurate statements on his firm’s compliance questionnaire violate the Rule.<sup>42</sup>

Respondent made three false and inaccurate statements in a December 2017 annual compliance questionnaire that he completed while associated with Moloney:

- First, the Moloney compliance questionnaire asked Respondent whether he had filed for bankruptcy within the previous three years.<sup>43</sup> Respondent answered “No.” He failed to disclose he had filed a bankruptcy petition in May 2017.<sup>44</sup>
- Second, Moloney asked Respondent whether he was, or had ever been, involved in any bankruptcy proceeding.<sup>45</sup> Respondent answered “No.” He did not disclose his bankruptcy petition.<sup>46</sup>

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<sup>38</sup> FINRA Rules—including FINRA Rule 2010—“apply to all members and persons associated with a member,” and associated persons “have the same duties and obligations as a member under the Rules.” FINRA Rule 0140(a).

<sup>39</sup> *Dep’t of Enforcement v. Reifler*, No. 2016050924601, 2019 FINRA Discip. LEXIS 44, at \*14 (NAC Sept. 30, 2019), *appeal docketed*, No. 3-19589 (SEC Oct. 10, 2019).

<sup>40</sup> *Holeman*, 2019 SEC LEXIS 1903, at \*30-31.

<sup>41</sup> *Dep’t of Enforcement v. Seol*, No. 2014039839101, 2019 FINRA Discip. LEXIS 9, at \*40-41 (NAC Mar. 5, 2019).

<sup>42</sup> *Dep’t of Enforcement v. McGee*, No. 2012034389202, 2016 FINRA Discip. LEXIS 33, at \*73 (NAC July 18, 2016), *aff’d*, Exchange Act Release No. 80314, 2017 SEC LEXIS 987 (Mar. 27, 2017), *petition for review denied*, 733 F. App’x 571 (2d Cir. 2018).

<sup>43</sup> Compl. ¶ 26.

<sup>44</sup> *Id.* at ¶ 27.

<sup>45</sup> *Id.* at ¶ 28.

<sup>46</sup> *Id.* at ¶ 29.

- Third, Respondent certified that he had reviewed his Form U4 and it accurately reflected his required registration information and disclosures.<sup>47</sup> Respondent failed to disclose that his Form U4 did not refer to his bankruptcy petition.<sup>48</sup>

Respondent violated FINRA Rule 2010 by making false and inaccurate statements about his Chapter 7 bankruptcy petition in his December 2017 annual compliance questionnaire, as alleged in the second cause of action.

### III. Sanctions

According to FINRA's Sanction Guidelines ("Guidelines"), the purpose of the disciplinary process is to protect the investing public, support and improve overall business standards in the securities industry, and decrease the likelihood of recurrence of misconduct by the disciplined respondent.<sup>49</sup> The Guidelines contain General Principles Applicable to All Sanction Determinations, Principal Considerations in Determining Sanctions, and Guidelines applicable to specific violations.

The imposition of a unitary, aggregated sanction may be appropriate where the respondent's violations are based on related misconduct.<sup>50</sup> I have decided it is appropriate to aggregate the two causes of action of the Complaint for sanction purposes and to impose a single sanction on Respondent for those aggregated causes of action. In doing so, I find that Respondent's violations derived from the same underlying problem and arose from a continuous, related course of misconduct.

The Sanction Guideline for an Individual's Failure to File a Form U4 Amendment recommends a fine of \$2,500 to \$39,000. Where aggravating factors predominate, the adjudicator should consider a fine higher than \$39,000. Where aggravating factors are present, the adjudicator should consider suspending the respondent for 10 business days to six months. Where aggravating factors predominate, the adjudicator should consider a suspension of six months to two years. When the respondent intended to conceal information or mislead, the adjudicator should consider a bar.<sup>51</sup>

The considerations specific to this Guideline are:

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<sup>47</sup> *Id.* at ¶ 30.

<sup>48</sup> *Id.* at ¶ 31.

<sup>49</sup> FINRA Sanction Guidelines ("Guidelines") at 2 (2020) (General Principle No. 1), <https://www.finra.org/industry/sanction-guidelines>.

<sup>50</sup> *Dep't of Enforcement v. McNamara*, No. 2016049085401, 2019 FINRA Discip. LEXIS 29, at \*30 (NAC July 30, 2019); *Dep't of Enforcement v. Mielke*, No. 2009019837302, 2014 FINRA Discip. LEXIS 24, at \*55-56 (NAC July 18, 2014), *aff'd*, Exchange Act Release No. 75981, 2015 SEC LEXIS 3927 (Sept. 24, 2015).

<sup>51</sup> Guidelines at 71.



- the nature and significance of the information at issue;
- the number of disclosable events at issue;
- whether the omission of information was done in an intentional effort to conceal information or an attempt to mislead;
- the duration of the delinquency;
- whether the failure to disclose delayed any regulatory investigation;
- whether the failure resulted in a statutorily disqualified individual remaining associated with a firm; and
- whether the respondent's misconduct resulted directly or indirectly in injury to other parties and, if so, the nature and extent of the injury.<sup>52</sup>

An associated person's truthfulness in answering the financial disclosure questions of Form U4 is a particularly critical measure of fitness for the securities industry because a commitment to accurate, complete, and non-misleading financial disclosure is central to any securities professional's responsibilities.<sup>53</sup> Form U4 is used by all self-regulatory organizations (including FINRA), state regulators, and FINRA member firms to determine and monitor the fitness of securities professionals who seek initial or continued registration with a member firm.<sup>54</sup>

There is no Sanction Guideline applicable to a respondent's false and inaccurate statements to his employer firm in violation of FINRA Rule 2010. If the Sanction Guidelines do not specifically address the violation committed, the adjudicator should consider the most closely analogous Guideline.<sup>55</sup> The National Adjudicatory Council has found that the Guideline for Forgery, Unauthorized Use of Signatures or Falsification of Records is the analogous Guideline to apply to a false or inaccurate statement in an employer firm's compliance questionnaire.<sup>56</sup> That Guideline recommends that, in the absence of other violations or customer harm, the adjudicator should consider a fine of \$5,000 to \$11,000. The adjudicator should consider suspending the respondent for a period of 10 business days to six months. If the false or

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<sup>52</sup> *Id.* at 71.

<sup>53</sup> *Holeman*, 2019 SEC LEXIS 1903, at \*46-47.

<sup>54</sup> *Dep't of Enforcement v. Fretz*, No. 2010024889501, 2015 FINRA Discip. LEXIS 54, at \*87 (NAC Dec. 17, 2017).

<sup>55</sup> *Wedbush Sec., Inc.*, Exchange Act Release No. 78568, 2016 SEC LEXIS 2794, at \*44 (Aug. 12, 2016), *petition for review denied*, 719 F. App'x 724 (9th Cir. 2018).

<sup>56</sup> *Seol*, 2019 FINRA Discip. LEXIS 9, at \*46 n.34.

inaccurate statement is in furtherance of another violation, results in customer harm, or is accompanied by significant aggravating factors, a bar is standard.<sup>57</sup>

Aggravating factors are present in this case. The undisclosed information about Respondent's Chapter 7 bankruptcy petition was significant.<sup>58</sup> Such information necessarily raises questions about Respondent's competence and ability to handle customer finances. Respondent did not accept responsibility for his belated disclosure.<sup>59</sup> The duration of his failure to disclose the bankruptcy petition was long, spanning two years.<sup>60</sup> Respondent did not amend his Form U4 even though FINRA had previously warned him about his obligation to timely disclose two civil judgments on his Form U4.<sup>61</sup>

Considering the facts alleged in the Complaint, the applicable and analogous Sanction Guidelines, the Principal Considerations, and the aggravating factors, for Respondent's violation of Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010, and for Respondent's violation of FINRA Rule 2010, I impose an aggregated fine of \$5,000 on Respondent and suspend him from associating in any capacity with any FINRA member for an aggregate of 30 business days.

#### **IV. Order**

I order that, for violating Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010 by willfully failing to timely file an amended Form U4 to disclose his Chapter 7 bankruptcy petition, and for violating FINRA Rule 2010 by making false and inaccurate statements to his employer firm, Respondent Joseph John Weinrich is fined \$5,000 and suspended from associating with any FINRA member firm in any capacity for 30 business days. Because Respondent's Form U4 violation was willful, he is subject to statutory disqualification. If this Default Decision becomes FINRA's final disciplinary action, Respondent's 30-business-day suspension in all capacities shall become effective at the opening of business on Monday, February 7, 2022 and end at the close of business on Tuesday, March 22, 2022. The fines and

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<sup>57</sup> Guidelines at 37.

<sup>58</sup> *Id.* at 71 (Specific Consideration No. 1: The nature and significance of the information at issue).

<sup>59</sup> *Id.* at 7 (Principal Consideration No. 2: Whether an individual accepted responsibility for and acknowledged the misconduct to his employer or a regulator prior to detection and intervention by the firm or the regulator).

<sup>60</sup> *Id.* at 7 (Principal Consideration No. 9: Whether the respondent engaged in the misconduct over an extended period of time); Guidelines at 71 (Specific Consideration No. 4: The duration of the delinquency).

<sup>61</sup> *Id.* at 8 (Principal Consideration No. 14: Whether the respondent engaged in the misconduct at issue despite prior warnings from FINRA that the conduct violated FINRA rules or applicable securities laws or regulations); Compl. ¶ 20.

assessed costs shall be due on a date set by FINRA, but not sooner than 30 days after this Default Decision becomes FINRA's final disciplinary action in this proceeding.

  
Richard E. Simpson  
Hearing Officer

Copies to:

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