Disciplinary and Other FINRA Actions

Firms Fined

January 5, 2024 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured, fined \$30,000 and required to certify that it has remediated the issues identified in the AWC and implemented a supervisory system, including written supervisory procedures (WSPs), reasonably designed to achieve compliance with FINRA Rule 3270.01. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with rules governing

MMA Securities LLC (CRD #44254, New York, New York)

outside business activities (OBAs). The findings stated that the firm failed to evaluate and document its evaluation of OBAs disclosed by its registered representatives. The firm approved OBAs without evaluating and documenting its evaluation of whether (i) they would interfere with or otherwise compromise the registered person's responsibilities to the firm or its customers or be viewed as part of its business; (ii) they should be restricted or prohibited; and (iii) they should be treated as outside securities activities, with any transactions recorded on the firm's books and records. (FINRA Case #2021069373501)

UBS Financial Services Inc. (CRD #8174, Weehawken, New Jersey) January 5, 2024 – An AWC was issued in which the firm was censured and fined \$100,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to include the Non-Transaction-Based Compensation (NTBC) indicator for reports of municipal securities transactions with customers that did not include a mark-up, mark-down, or commission to the Municipal Securities Rulemaking Board's (MSRB) Real-time Transaction Reporting System (RTRS). The findings stated that all of these transactions occurred in nonmanaged accounts. When designing the logic for the firm's electronic system for reporting transactions, the firm incorrectly excluded the NTBC indicator for all transactions in non-managed accounts. The firm corrected its reporting logic. The findings also stated that the firm's supervisory system, including its WSPs, was not reasonably designed to ensure compliance with RTRS reporting requirements because the firm lacked any supervisory reviews or written procedures relating to the NTBC indicator. The firm has since taken steps to enhance its systems and procedures by adopting and implementing a quarterly supervisory review for accurate reporting of the NTBC indicator.

(FINRA Case #2020067603601)

Reported for March 2024

FINRA has taken disciplinary actions against the following firms and individuals for violations of FINRA rules; federal securities laws, rules and regulations; and the rules of the Municipal Securities Rulemaking Board (MSRB).

Search for **FINRA Disciplinary Actions**

All formal disciplinary actions are made available through a publicly accessible online search tool called FINRA Disciplinary Actions Online shortly after they are finalized.

Visit www.finra.org/ disciplinaryactions to search for cases using key words or phrases, specified date ranges or other criteria.



Landolt Securities, Inc. (CRD #28352, Antioch, Illinois)

January 16, 2024 – An AWC was issued in which the firm was censured, fined \$25,000 and required to certify that it has remediated the issues identified in the AWC and implemented a supervisory system, including WSPs, reasonably designed to achieved compliance with FINRA Rule 3110(b)(4). Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish, maintain, and enforce a reasonable supervisory system, including WSPs, to supervise the electronic communications of its registered representatives. The findings stated that the firm's WSPs did not identify the personnel responsible for reviewing emails and did not state how frequently reviews should occur. The WSPs provided no reasonable guidance on how to conduct reviews and address issues identified during the review of electronic communications and they did not require that reviews be conducted or supervised by a registered principal. In addition, the WSPs did not include any criteria for identifying potentially problematic emails, describe what issues or red flags reviewers should be reviewing for, or explain whether and how any potentially problematic emails should be escalated for further review. The firm's email review was also unreasonable in practice. The reviews were not conducted or supervised by a registered principal. The firm also did not regularly review, assess, or update keywords used by the firm to flag emails for review. (FINRA Case #2022075126501)

Vision Financial Markets LLC (CRD #142271, Stamford, Connecticut)

January 16, 2024 – An AWC was issued in which the firm was censured, fined a total of \$30,000, of which \$10,000 is payable to FINRA and ordered to pay disgorgement of a portion of unlawful profits in the total amount of \$20,553, of which \$6,851 is payable to FINRA, plus interest. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it tendered more shares than it was entitled to tender in the partial tender offer (PTO) of a company. The findings stated that the company announced its PTO with an expiration date of August 31, 2022. On that date, the firm tendered shares of the company without accounting for relevant short call options positions with exercise prices below the highest tender offer price or stated amount of the consideration offered for the company. After applying the proration factor, some of the firm's over-tendered shares were accepted, resulting in ill-gotten gains for the firm of \$20,553. The findings also stated that the firm failed to have a supervisory system, including WSPs, reasonably designed to achieve compliance with Rule 14e-4 of the Securities Exchange Act of 1934 (Exchange Act). (FINRA Case #2022076480401)

RCX Capital Group, LLC (CRD #114290, The Woodlands, Texas)

January 17, 2024 – An AWC was issued in which the firm was censured and fined \$35,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it participated in preparing and

distributing a private placement memorandum (PPM) to the public that contained contradictory language defining the offering's minimum offering amount and misleadingly stated that the proceeds would be deposited in an escrow account. The findings stated that the PPM failed to provide a fair and balanced presentation of the offering by omitting a potential "lower amount" by agreement in the first two statements in the PPM regarding the minimum offering amount. In addition, as a result of the conflicting statements, the PPM created a risk that investors could be confused as to whether the offering was contingent upon a minimum offer amount, and if so, what that amount was. The PPM, therefore, did not provide a sound basis for evaluating facts relevant to the security being offered. Further, the PPM stated that funds for the purchase of interests would be held in escrow and that the issuer had entered into an escrow agreement with a bank. However, these statements were misleading because no escrow agreement had been entered into and no escrow account had been established. Prior to any sales of the offering, the issuer amended the PPM to address both of these issues. The findings also stated that the firm failed to file with FINRA the amendment to the PPM that materially changed the terms of the offering. (FINRA Case #2019063365401)

Rockefeller Financial LLC (CRD #291361, New York, New York)

January 19, 2024 - An AWC was issued in which the firm was censured and fined \$100,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to disclose certain mark-up and mark-down information on retail customer confirmations for municipal securities transactions and corporate and agency debt securities transactions. The findings stated that the firm failed to include any information related to mark-ups and markdowns for most of the affected retail customer confirmations. In some instances. however, the firm included the dollar amount of the mark-up or and mark-down on the retail customer confirmation but did not include the mark-up or markdown as a percentage of the prevailing market price. During that time, the firm's representatives generally placed orders to buy and sell securities through its clearing firm's online order entry interface. The disclosure failure here arose from a coding issue related to orders that were placed by the firm's representatives over the phone with the firm's clearing firm. The findings also stated that the firm failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with the disclosure requirements of MSRB Rule G-15 and FINRA Rule 2232. The firm did not have any policies or procedures in place regarding the disclosures required on retail customer confirmations. In practice, the firm did not conduct any review of retail customer confirmations to confirm they included the requisite required disclosures. Shortly after the issue was identified, the firm revised its procedures to address the requirements of MSRB Rule G-15 and FINRA Rule 2232 and to provide for a review of the content of customer confirmations. (FINRA Case #2021071489101)

Wells Fargo Securities, LLC (CRD #126292, Charlotte, North Carolina) January 19, 2024 – An AWC was issued in which the firm was censured and fined \$425,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that due to a missing trailer code in a legacy version of an order management system utilized by only one of the firm's trading desks, it sent institutional customers approximately 2.27 million trade confirmations that failed to disclose that the prices reported for orders effected via multiple executions were average prices. The findings stated that the confirmations failed to disclose that, for orders effected via multiple executions: (1) the prices reflected on the confirmations were average prices; and (2) details regarding the actual prices were available upon request. Customers did, however, have access to the firm's online portal that contained information about individual transactions, including quantity and price. The firm first discovered the system coding error while conducting an unrelated review. By that time, the firm had already begun efforts to transition customers to a different order management system. The firm also commenced a review of customer confirmations to determine whether, and the extent to which, it had included average-price disclosures on the confirmations. After concluding this review, the firm submitted a FINRA Rule 4530 filing that disclosed the average-price-disclosure issue. That same month, the firm also began taking additional remedial steps to resolve the issue. The findings also stated that the firm failed to reasonably supervise its compliance with trade confirmation requirements. Initially, the firm's WSPs did not expressly include a review to ensure that the firm included average-price disclosures in confirmations for orders effected via multiple executions at multiple prices. After discovering its average-price-disclosure issue, the steps taken by the firm were not reasonably designed to timely and effectively remediate the issue. As a result, the firm continued to send trade confirmations that omitted the required average-price disclosures for approximately 10 months.

Terranova Capital Equities, Inc. (CRD #45097, New York, New York)

(FINRA Case #2021072404901)

January 22, 2024 – An AWC was issued in which the firm was censured, fined \$25,000 and required to certify that it has remediated the issues identified in the AWC and implemented a supervisory system, including WSPs, reasonably designed to achieve compliance with Section 5 of the Securities Act of 1933 (Securities Act) regarding the issues identified in the AWC. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it engaged in unregistered distributions of securities in contravention of Section 5 of the Securities Act by acting as placement agent for private offerings and sold securities from those offerings, which the issuers failed to qualify for an exemption from registration. The findings stated that each offering claimed exemption from registration under Rule 506(b) of Regulation D of the Securities Act. However, the issuers did not file a Form D for each offering within fifteen calendar days of the first sale of securities

from the offerings, such that the issuers failed to qualify the securities for the safe harbor exemption. The firm sold the issuers' securities to twelve investors, who invested \$996,875. Certain sales from the offerings qualified for the exemption from registration because they were made within 15 days of the issuer filing Forms D with the Securities and Exchange Commission (SEC) for the offerings. All sales from the offerings were made to accredited investors. The findings also stated that the firm failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with Section 5 of the Securities Act. The firm did not ensure that securities from the private offerings qualified for an exemption under Regulation D. Nor did the firm conduct any supervisory reviews or surveillance to ensure it did not participate in a distribution of unregistered and nonexempt securities. In addition, the firm's WSPs did not provide reasonable guidance regarding when and how the firm should verify that issuers of exempt offerings timely filed a Form D notice with the SEC. (FINRA Case #2020066852401)

Voya Financial Advisors, Inc. (<u>CRD #2882</u>, Windsor, Connecticut)

January 25, 2024 – An AWC was issued in which the firm was censured and fined \$500,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it paid approximately \$2.9 million in transaction-based compensation to an unregistered entity, a limited liability company (LLC) primarily owned by an insurance agent who was not registered with FINRA, in connection with the sale of variable universal life insurance (VUL). The findings stated that the firm and the unregistered entity were parties to a Variable Marketing Agreement, which provided that the unregistered entity would provide a variety of services to facilitate VUL sales, including distributing sales materials and assisting with sales promotional activities. Pursuant to the Variable Marketing Agreement, the firm received gross transaction-based compensation of approximately \$8.7 million from the VUL sales. After making payouts to its own registered representatives and paying \$2.9 million to the unregistered entity, the firm retained approximately \$545,000 of the gross compensation. (FINRA Case #2020065474001)

Academy Securities, Inc. (CRD #17433, New York, New York)

January 29, 2024 – An AWC was issued in which the firm was censured and fined \$30,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to timely and accurately file quarterly Form G-37 reports with the MSRB. The findings stated that the firm filed the Form G-37 reports between one and 645 days late. The firm also filed Form G-37 reports that omitted required information about the municipal issuers with which the firm had done business in the prior quarter. Specifically, these Form G-37 reports failed to disclose municipal underwritings for which the firm acted in a managerial capacity, including as a senior manager, co-senior manager, or co-manager. The

findings also stated that the firm failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with MSRB Rule G-37. The firm failed to supervise its municipal securities activities with regard to filing accurate and timely Form G-37 reports and its WSPs failed to include procedures regarding the process for identifying and compiling information required to be reported on the Form G-37. For example, the WSPs failed to assign anyone the responsibility to maintain a record of reportable information, did not identify the sources from which reportable information should be collected, and did not provide for a review of the Form G-37 reports to ensure the accuracy of their content. In practice, to make required disclosures concerning the firm's municipal securities business on Form G-37 reports, the firm's compliance department relied on a spreadsheet of municipal underwritings prepared by the firm's municipal underwriting department. However, the spreadsheet at times omitted certain underwritings required to be reported under MSRB Rule G-37, and the firm failed to conduct a reasonable review of the spreadsheet's content for completeness before the information was used to prepare the Form G-37 report. (FINRA Case #2021069276801)

Individuals Barred

Tilak J. Shah (<u>CRD #6416854</u>, Copiague, New York)

January 9, 2024 – An AWC was issued in which Shah was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Shah consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with its investigation into the circumstances surrounding a Uniform Termination Notice for Securities Industry Registration (Form U5) filed by his member firm. The findings stated that the firm filed the Form U5 stating that Shah was permitted to resign following a review of his business which determined among other issues, that he used his personal bank account to pay unrelated customers' premiums for life insurance policies and submitted life insurance applications with inaccurate customer information, leading to significant commission reversals. (FINRA Case #2022074240001)

Michael Archimede (CRD #5701306, Waukesha, Wisconsin)

January 22, 2024 – An AWC was issued in which Archimede was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Archimede consented to the sanction and to the entry of findings that he refused to provide information and documents and to appear for on-the-record testimony requested by FINRA. The findings stated that FINRA issued its requests as part of its investigation into whether Archimede borrowed customer funds in connection with his potential investment in an offering involving crypto assets away from his member firm. (FINRA Case #2023080714501)

Christina D. Peterman (CRD #4064817, Mocksville, North Carolina)

January 26, 2024 – An AWC was issued in which Peterman was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Peterman consented to the sanction and to the entry of findings that she refused to produce information and documents requested by FINRA in connection with its investigation into the allegations from a Form U5 filed by her member firm. The findings stated that the form U5 stated that the firm discharged Peterman because she accessed client information without a business purpose and engaged in unauthorized client transactions. (FINRA Case #2023078798001)

Individuals Suspended

Jimmy J. Galindo (CRD #2922619, Hollister, California)

January 2, 2024 - An AWC was issued in which Galindo was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Galindo consented to the sanctions and to the entry of findings that he caused his member firm to maintain inaccurate books and records by changing the representative code for trades, which made the trade confirmations show an inaccurate representative code. The findings stated that Galindo entered into an agreement through which he and another representative working from the same branch office agreed to service certain customer accounts, including executing trades for those accounts, under a joint representative code that they shared with a retired representative. The agreement set forth what percentages of the commissions Galindo, the other representative, and the retired representative earned on trades placed using the joint representative code. Although the firm's system correctly prepopulated the trades with the applicable joint representative code, Galindo changed the code for the trades to a different representative code that he shared only with the other representative because he mistakenly believed that his agreement with the retired representative did not apply to new assets added to accounts subject to the agreement. Galindo's actions resulted in his receiving higher commissions from the trades than what he was entitled to receive pursuant to the agreement. Galindo's firm paid restitution to the retired representative and Galindo reimbursed the firm \$38,216, which was the approximate amount of additional commissions that he received.

The suspension was in effect from February 5, 2024, through March 4, 2024. (FINRA Case #2020068810001)

Kabir H. Ali (CRD #7216446, Sugar Land, Texas)

January 4, 2024 – An AWC was issued in which Ali was suspended from association with any FINRA member in all capacities for 18 months. In light of Ali's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Ali consented to the sanction and to the entry of findings that he possessed unauthorized materials while taking the General Securities Representative Series 7 exam. The findings stated that Ali took the Series 7 exam from his home using a remote testing platform. Prior to beginning the exam, Ali attested that he had reviewed and would abide by the Rules of Conduct, which require candidates to store all personal items outside the room where they take the exam and prohibit access to personal items, including cell phones and electronic devices, during the exam. Prior to beginning the exam, Ali also informed the proctor that his cell phone was not near his testing area and there were no electronics on his desk other than his testing laptop. However, during the exam Ali possessed and accessed his cell phone as well as an external monitor.

The suspension is in effect from January 16, 2024, through July 15, 2025. (FINRA Case #2023078814601)

David Adam Elgart (<u>CRD #825759</u>, Roswell, Georgia)

January 4, 2024 - An AWC was issued in which Elgart was assessed a deferred fine of \$20,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Elgart consented to the sanctions and to the entry of findings that he associated with a member firm while unregistered and statutorily disqualified and engaged in activities requiring registration. The findings stated that in 2016 the Office of Hearing Officers (OHO) issued a decision finding that Elgart willfully failed to timely update his Uniform Application for Securities Industry Registration or Transfer (Form U4) to disclose five tax liens. Elgart thereafter timely appealed this decision to the National Adjudicatory Counsel (NAC), which stayed the imposition of his statutory disqualification. Elgart became statutorily disqualified in 2017, after the NAC issued its decision affirming OHO's findings concerning Elgart's willful failure to disclose material information on his Form U4. In November 2018, Elgart's firm filed a Form U5, terminating his registration and later filed a Membership Continuance Application (MC-400 Application) seeking to permit Elgart to reassociate with the firm. Elgart knew that he was not permitted to associate with the firm or effect any transaction in—or induce or attempt to induce the purchase or sale of—any municipal security while the MC-400 Application was pending. Nonetheless, Elgart used the login credentials and email addresses of other registered representatives to conduct municipal securities business. Elgart's activities included discussing and recommending transactions to customers, communicating with firm vendors about trade corrections, and logging on to the firm's systems to effect trades on behalf of customers. FINRA later approved the MC-400 Application.

The suspension is in effect from January 16, 2024, through July 15, 2025. (FINRA Case #2021069347101)

Joseph Duffy Collins (CRD #7153386, Brooklyn, New York)

January 8, 2024 – An AWC was issued in which Collins was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Collins consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension was in effect from February 5, 2024, through March 4, 2024. (FINRA Case #2023079725901)

Michael Louis Esposito (CRD #6506773, Bethpage, New York)

January 8, 2024 – An AWC was issued in which Esposito was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Esposito consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension was in effect from February 5, 2024, through March 4, 2024. (FINRA Case #2023079728201)

Tara Ann Nesdill (<u>CRD #5510849</u>, Carle Place, New York)

January 8, 2024 – An AWC was issued in which Nesdill was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Nesdill consented to the sanctions and to the entry of findings that she certified to the State of New York that she had personally completed 15 hours of continuing education required to renew her state insurance license when, in fact, another person had completed that continuing education on her behalf.

The suspension was in effect from February 5, 2024, through March 4, 2024. (FINRA Case #2023079740401)

Maureen A. O'Donnell (CRD #1896357, East Norwich, New York)

January 8, 2024 – An AWC was issued in which O'Donnell was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, O'Donnell consented to the sanctions and to the entry of findings that she certified to the State of New York that she had personally completed 15 hours of continuing education required to renew her state insurance license when, in fact, another person had completed that continuing education on her behalf.

The suspension was in effect from February 5, 2024, through March 4, 2024. (FINRA Case #2023079748501)

Chaitanya Goyal (CRD #7515082, New York, New York)

January 9, 2024 – An AWC was issued in which Goyal was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Goyal consented to the sanctions and to the entry of findings that he had access to a prohibited item while taking the Securities Trader Representative Series 57 exam. The findings stated that prior to the exam, Goyal attested that he had read and would abide by the Rules of Conduct for representative and principal exams, which, among other things, require candidates to store all personal items in the locker provided by the test vendor and prohibit accessing, using, or attempting to use any personal items, including cellphones, during the exam. However, during two unscheduled breaks, Goyal accessed his cellphone that he left in the restroom prior to taking the exam.

The suspension is in effect from January 16, 2024, through July 15, 2025. (FINRA Case #2023077778401)

Michael Hartnagel Jr. (CRD #6689914, East Northport, New York)

January 9, 2024 – An AWC was issued in which Hartnagel was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Hartnagel consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension was in effect from January 16, 2024, through February 15, 2024. (FINRA Case #2023079736001)

Matthew Robert Wilkow (CRD #5715615, Sayville, New York)

January 9, 2024 – An AWC was issued in which Wilkow was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Wilkow consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension was in effect from February 5, 2024, through March 4, 2024. (FINRA Case #2023079726301)

Jonathan Arthur Mayer (<u>CRD #6878627</u>, Miami Beach, Florida)

January 12, 2024 – An AWC was issued in which Mayer was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Mayer consented to the sanctions and to the entry of findings that he engaged in an OBA without providing his member firm prior written notice, and then continued his OBA after

the firm rescinded its approval of the activity. The findings stated that Mayer owned and operated a company through which he acted as a business consultant. Mayer belatedly disclosed, and his firm approved, his OBA. However, the firm later expressly rescinded its approval. Despite this rescission, Mayer continued to take on business consulting work, which included business plan creation, financial modeling, strategic planning, market research, and general business advice, and received a total of approximately \$90,000 in direct compensation. None of Mayer's OBAs involved securities or firm customers.

The suspension is in effect from January 16, 2024, through April 15, 2024. (FINRA Case #2020068717401)

Taibat Abiola Awokoya (<u>CRD #7416322</u>, Dallas, Texas)

January 16, 2024 – An AWC was issued in which Awokoya was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Awokoya consented to the sanctions and to the entry of findings that she possessed and had access to unauthorized materials while taking the Series 7 General Securities Representative Qualification Exam. The findings stated that prior to beginning the exam, Awokoya attested that she had read and would abide by the Rules of Conduct. Awokoya, however, possessed and had access to study materials while in the testing center's restroom during an unscheduled exam break.

The suspension is in effect from February 5, 2024, through August 4, 2025. (FINRA Case #2023078040101)

Brad Curtis Brooks (CRD #1584633, Frisco, Texas)

January 16, 2024 - An AWC was issued in which Brooks was assessed a deferred fine of \$15,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Brooks consented to the sanctions and to the entry of findings that he made negligent material misrepresentations and omissions to investors who purchased limited partnership interests in two private placement securities offerings that he controlled. acting in contravention of Section 17(a)(2) of the Securities Act. The findings stated that Brooks' partner, who was a former associated person of their member firm, transferred \$4.325 million from the proceeds that one entity raised from its investors to the other entity to pay the other entity's expenses. Upon learning of the transfer, Brooks initiated an independent review, restricted access to the bank accounts of the entities, and caused the proceeds to be returned in full. However, Brooks negligently failed to inform investors that money had been transferred out of the project to fund the other entity. The transfers to the other entity were not made for the exclusive benefit of the entity, and therefore were not a permissible use of investor proceeds as set forth in the entity's PPM. In addition, Brooks negligently allowed the value of the transfers from the entity to be included in supplemental PPMs issued by the other entity as capital raised by the partnership, which as a result, overstated

the amounts raised by the other entity in the supplemental PPMs. Further, Brooks' partner caused the entities to use approximately \$224,000 of investor proceeds from their offerings to pay certain expenses of another unrelated entity. These funds were later returned to both of the entities by the unrelated entity. Brooks negligently failed to discover and disclose this use of proceeds to investors. This use of proceeds was not identified in either of the entities' PPMs, thus making the PPM's representations to investors about the use of proceeds inaccurate and materially misleading. In both instances, Brooks did not disclose the use of proceeds to the firm's registered representatives, who were selling investments in the entities to their customers, or to his own customers, whom he was soliciting to purchase interests in the entities.

The suspension is in effect from January 16, 2024, through April 15, 2024. (FINRA Case #2019062479102)

Doron Kochavi (<u>CRD #1011155</u>, La Canada, California)

January 16, 2024 – An AWC was issued in which Kochavi was fined \$10,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Kochavi consented to the sanctions and to the entry of findings that he caused his member firm to make and preserve inaccurate books and records by mischaracterizing securities transactions in a customer's accounts as unsolicited when they were actually solicited by him.

The suspension is in effect from February 5, 2024, through April 4, 2024. (FINRA Case #2021071099403)

Lee Harold Rycraft (CRD #5770413, Watertown, South Dakota)

January 16, 2024 – An AWC was issued in which Rycraft was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Rycraft consented to the sanctions and to the entry of findings that he forged or falsified the electronic signature of customers, some of whom were seniors, on documents. The findings stated that all of the transactions were authorized, and no customers complained, though two customers' names were signed on documents without the customers' prior permission. The account documents, which included money transfer forms and electronic prospectus delivery forms, were required books and records of Rycraft's member firm. As a result, Rycraft caused his member firm to maintain inaccurate books and records. In addition, Rycraft falsely attested in annual compliance questionnaires that he had not signed or affixed another person's signature on a document.

The suspension is in effect from January 16, 2024, through April 15, 2024. (FINRA Case #2022074091001)

Rajen Duggal (CRD #6505933, Modesto, California)

January 17, 2024 – An AWC was issued in which Duggal was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 30 days. Without admitting or denying the findings, Duggal consented to the sanctions and to the entry of findings that he engaged in an OBA without providing prior written notice to, and receiving his member firm's approval of, the outside activity. The findings stated that Duggal began working with a startup business in an investor-relations role and had the expectation that his efforts on behalf of this startup would lead to compensation. During the time that Duggal worked for the startup and remained associated with his firm, he received approximately \$80,000 in compensation from the startup. In addition, Duggal completed a firm questionnaire in which he falsely stated that he was not engaged in any OBAs, to conceal from the firm his work for the startup. Duggal eventually disclosed the OBA to his firm, which resulted in his termination.

The suspension was in effect from February 5, 2024, through March 5, 2024. (FINRA Case #2023078112801)

Lincoln Lucas Mason (<u>CRD #7057393</u>, Arnolds Park, Iowa)

January 17, 2024 – An AWC was issued in which Mason was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 90 days. Without admitting or denying the findings, Mason consented to the sanctions and to the entry of findings that he engaged in an OBA without providing prior written notice to, and receiving his member firm's approval of, the outside activity. The findings stated that Mason created and was the sole member of an LLC for the purpose of holding a commercial property suitable for a single business office that he owned. When Mason created the company, he intended to transfer his property into the company, and use it as his firm branch office. Mason expected to enter into a lease agreement with the firm, whereby it would pay him rent, through the company, for his branch office. The firm became aware of the company as a result of its compliance program. At that time, however, the company did not hold any assets, and the firm approved Mason's OBA. Later, Mason transferred his property into the company and contacted the firm to establish that property as his firm branch office. Mason was advised by the firm that properties owned by associated persons could not be used as a branch office. The findings also stated that Mason provided false information and fictitious documents to the firm in order to conceal the true nature and extent of his outside activity, hide his ownership interest in the company and its property, and induce the firm to lease that property for his branch office. Mason created documents purporting to show the transfer of his interest in the company, and thus the ownership of the property, to a third party, falsely represented to the firm that he sold the office building to this third party, and provided he the false company transfer documents to the firm in an effort to prove that he no longer owned the company or the property. As a result, the

firm entered into a lease agreement with the company, and unknowingly allowed Mason to use the property that he owned as his branch office. After executing the lease agreement, the firm's compliance department continued to request additional information from Mason regarding the company and required him to provide an updated OBA disclosure form. While Mason acknowledged his ownership interest in the company at this time, he falsely claimed that the only property it held was a "storage facility". Mason also claimed that he had sold the commercial building and that the purchase funds had changed hands, neither of which was true. The firm terminated the lease agreement and Mason's registration shortly thereafter. As a result of the lease termination, Mason received no rent payments under that agreement.

The suspension is in effect from February 5, 2024, through May 4, 2024. (FINRA Case #2022073651801)

Lucas R. Hales (<u>CRD #6258497</u>, Austin, Texas)

January 18, 2024 – An AWC was issued in which Hales was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 12 months. Without admitting or denying the findings, Hales consented to the sanctions and to the entry of findings that he participated in private securities transactions totaling \$3 million without disclosing his participation to his member firm at any time, and without seeking or receiving the firm's written approval to participate in these transactions. The findings stated that Hales and two other individuals established an LLC to act as a vehicle for an investment in a technology company. Hales served as the entity's sole manager. Hales participated in the transactions by reviewing investors' subscription documents and serving as the designated point of contact for investors. Hales also participated in the entity's investment in the technology company by managing accounts and executing documents on behalf of the entity. The entity was entitled to collect carried interest as selling compensation after the investment in the technology company closed, and it paid Hales a share of this carried interest.

The suspension is in effect from February 5, 2024, through February 4, 2025. (FINRA Case #2022076767001)

Tory A. Duggins (CRD #4556340, Bronx, New York)

January 19, 2024 – An AWC was issued in which Duggins was suspended from association with any FINRA member in all capacities for 18 months. In light of Duggins' financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Duggins consented to the sanction and to the entry of findings that he willfully violated the Best Interest Obligation under Rule 15I-1 of the Exchange Act (Regulation BI) by recommending a series of excessive trades to customers, some of whom were seniors. The findings stated that Duggins'

customers relied on his advice and routinely followed his recommendations and, as a result, he exercised de facto control over the customers' accounts. Duggins' trading resulted in high cost-to-equity ratios and turnover rates that were well above the traditional guideposts of 20 percent and six, respectively, as well as significant losses. Specifically, Duggins' trading in the customers' accounts generated total trading costs of \$444,176, including \$343,416 in commissions, and caused \$235,494 in total realized losses. Duggins' trading was excessive, unsuitable, and not in the best interest of the customers given their investment profiles. The findings also stated that Duggins willfully failed to report a written customer complaint alleging a sales practice violation on his Form U4. One of the customers sent Duggins an email complaining that he excessively traded the customer's account and seeking \$17,500 in compensatory damages. Duggins received and read the email but did not forward the customer complaint to his member firm's compliance department as required by the firm's policies.

The suspension is in effect from February 20, 2024, through August 19, 2025. (FINRA Case #2018056490309)

Kimberly Ann Carson (<u>CRD #5576304</u>, San Jose, California)

January 24, 2024 - An AWC was issued in which Carson was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Carson consented to the sanctions and to the entry of findings that she obtained a loan of \$250,000 from her customer without notifying her member firm of the lending arrangement and without obtaining prior approval for the loan. The findings stated that Carson had a personal relationship outside of their broker/client relationship with the customer. The loan was made pursuant to a promissory note, which was signed by Carson's husband, and which required monthly interest-only payments at a fixed 10 percent annual rate for a 10-year term. The principal sum was due at the expiration of the 10-year term. The loan amount was deposited into a joint bank account owned by Carson and her husband. Carson made monthly payments to the customer, in accordance with the terms of the promissory note, for nearly two years, until failing to make a timely payment. The following month, Carson resumed making timely payments. Carson repaid the loan in full after the customer commenced litigation against her, her husband and the firm.

The suspension is in effect from February 20, 2024, through May 19, 2024. (FINRA Case #2022074541501)

Thakoor Ben Balkaran (CRD #2506670, North Merrick, New York)

January 25, 2024 – An AWC was issued in which Balkaran was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Balkaran consented to the sanctions

and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension is in effect from February 20, 2024, through March 19, 2024. (FINRA Case #2023079746101)

Charles Jay Gross (<u>CRD #2120578</u>, Monsey, New York)

January 25, 2024 – An AWC was issued in which Gross was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Gross consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension is in effect from February 20, 2024, through March 19, 2024. (FINRA Case #2023079746301)

Barbara Suzan Savin (CRD #2123585, Massapequa, New York)

January 25, 2024 – An AWC was issued in which Savin was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Savin consented to the sanctions and to the entry of findings that she certified to the State of New York that she had personally completed 15 hours of continuing education required to renew her state insurance license when, in fact, another person had completed that continuing education on her behalf.

The suspension is in effect from February 20, 2024, through March 19, 2024. (FINRA Case #2023079740701)

James V. Scheidel Jr. (<u>CRD #4489589</u>, Islip, New York)

January 26, 2024 – An AWC was issued in which Scheidel was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Scheidel consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension is in effect from February 20, 2024, through March 19, 2024. (FINRA Case #2023079739901)

Willie J. Rosser Sr. (CRD #6139449, Atlanta, Georgia)

January 30, 2024 – An AWC was issued in which Rosser was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Rosser consented to the sanctions and to the entry of findings that he borrowed a total of \$19,000 from two of his customers, who were personal friends, without notifying or obtaining prior written approval from his member firm. The findings stated that on an annual compliance questionnaire he submitted to the firm, Rosser denied having borrowed money from any customers, despite obtaining these loans. Rosser has made timely repayments of the loans and neither customer has complained about the loans.

The suspension is in effect from February 5, 2024, through March 20, 2024. (FINRA Case #2022074772401)

Bruce Allen Rathkamp (<u>CRD #1358696</u>, Chillicothe, Ohio)

January 31, 2024 – An AWC was issued in which Rathkamp was fined \$5,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Rathkamp consented to the sanctions and to the entry of findings that he forged or falsified the electronic signatures of customers, some of whom were seniors, on account documents, and forged the electronic signature of another registered representative on some of the documents. The findings stated that Rathkamp caused his member firm to maintain inaccurate books and records. The documents signed by Rathkamp, which included account applications and account transfer forms, were required books and records of the firm. None of the customers complained and the transactions, which did not generate any commissions for Rathkamp, were authorized. In addition, Rathkamp falsely attested to his firm on a compliance questionnaire that he had not signed or affixed another person's signature on a document.

The suspension is in effect from February 5, 2024, through June 4, 2024. (FINRA Case #2022075368501)

Complaint Filed

FINRA issued the following complaints. Issuance of a disciplinary complaint represents FINRA's initiation of a formal proceeding in which findings as to the allegations in the complaint have not been made, and does not represent a decision as to any of the allegations contained in the complaint. Because these complaints are unadjudicated, you may wish to contact the respondents before drawing any conclusions regarding these allegations in the complaint.

Austin Richard Dutton Jr. (CRD #2739167, Furlong, Pennsylvania) January 5, 2024 – Dutton was named a respondent in a FINRA complaint alleging that he recommended customers, most of whom were retired or approaching retirement, purchase illiquid alternative investments without having a reasonable basis to believe that these purchases were suitable for each of the customers. The complaint alleges that the alternative investments were all speculative investments that involved a high degree of risk. But, as they informed Dutton, none of the customers were seeking to make speculative, high-risk investments. Each of the customers had limited (or no) investment experience and none had ever purchased alternative investments. Many of the customers relied on their savings for income and none of the customers were able to financially bear the risks associated with alternative investments. Nevertheless, Dutton recommended that the customers use a significant portion of their retirement savings to purchase alternative investments. Dutton's recommendations to the customers were unsuitable based on their investment profiles—including their net worths, investable assets, annual incomes, investment objectives, and risk tolerances. Dutton generated more than \$72,000 in commissions from these recommendations. The complaint also alleges that Dutton falsified his member firm's books and records and caused numerous books and records, including new account documents, Direct Business Profile and Agreement forms, Accredited Investor Forms, and Suitability Forms to contain false and inaccurate information regarding certain customers and their suitability profiles and purchases of alternative investments. Dutton falsified the firm's books and records and caused them to contain false and inaccurate information about his customers' net worth, risk tolerance, investment objective, and concentration percentage in alternative investments. The complaint further alleges that Dutton failed to respond to FINRA's requests for information and documents in connection with its investigation into his sale of alternative investments, and in connection with a separate investigation into whether he engaged in a private securities transaction. In addition, the complaint alleges that Dutton failed to timely respond to FINRA's requests for information and documents in connection with his sale of alternative investments. Dutton responded to the request only after the initiation and nearcompletion of a FINRA Rule 9552 proceeding that would have resulted in his bar from the securities industry if he did not comply. (FINRA Case #2018059178401)

Firm Suspended for Failure to Provide Information or Keep Information Current Pursuant to FINRA Rule 9552

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

CVEX Markets LLC (CRD #311448)

Austin, Texas (January 5, 2024)

Firm Suspended for Failure to Meet the Eligibility or Qualifications Standards or Prerequisites for Access to Services Pursuant to FINRA Rule 9555

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

CVEX Markets LLC (CRD #311448)

Austin, Texas (January 2, 2024) FINRA Case #2023080382001

Individuals Barred for Failure to Provide Information or Keep Information Current Pursuant to FINRA Rule 9552(h)

(If the bar has been vacated, the date follows the bar date.)

Gabriela Chanel Alfaro (CRD #7609272)

Oxnard, California (January 29, 2024) FINRA Case #2023079176601

Michael Philip Capolongo (CRD #5702165)

Bethpage, New York (January 9, 2024) FINRA Case #2021073144301

Stalin Alfredo Cruz (CRD #2503461)

Bayside, New York (January 16, 2024) FINRA Case #2020066757802

Michael Fasciglione (CRD #1806486)

Bellmore, New York (January 2, 2024) FINRA Case #2023078623001

Isaiah Frection (CRD #7490696)

Metairie, Louisiana (January 9, 2024) FINRA Case #2022077199001

Richard Lynn Goldston (CRD #4176824)

Fort Scott, Kansas (January 16, 2024) FINRA Case #2023078179701

Johnathan Paul Hagood (CRD #6778355)

Los Angeles, California (January 8, 2024) FINRA Case #2023077635001

Adriano Schultz (CRD #6110664)

Sparks, Nevada (January 8, 2024) FINRA Case #2023078838901

Brittny Ann Stagnitto (CRD #7268244)

Fairfield, New Jersey (January 8, 2024) FINRA Case #2022073930001 Individuals Suspended for Failure to Provide Information or Keep Information Current Pursuant to FINRA Rule 9552(d)

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

Kwame Adusei (CRD #6166926)

LaGrangeville, New York (January 8, 2024) FINRA Case #2023079018901

Brittany Anderson (CRD #7581277)

Florence, South Carolina (January 8, 2024) FINRA Case #2023078125202

Gianluca De Berardinis (CRD #4893776)

Greenwich, Connecticut (January 5, 2024) FINRA Case #2023079207701

Brian Hall (CRD #7536886)

Kailua, Hawaii (January 8, 2024) FINRA Case #2023077990901

Monu Joseph (CRD #4814346)

Laguna Beach, California (January 8, 2024) FINRA Case #2019064569101

Sylviah Kemunto (CRD #7513112)

Maricopa, Arizona (January 22, 2024) FINRA Case #2023077921401

Sebastian Puznowski (CRD #6872054)

Alexandira, Virginia (September 25, 2023 – January 2, 2024) FINRA Case #2023077493701

Carlos Ramirez (CRD #6749599)

Brockport, New York (January 18, 2024) FINRA Case #2023078158901/Expedited Proceeding #FPI240001

Shaquane Smith-Thompson (CRD #7085052)

Jamaica, New York (January 26, 2024) FINRA Case #2023078782701

Quintosha Thomas (CRD #7575213)

Florence, South Carolina (January 8, 2024) FINRA Case #2023078125201

Individuals Suspended for Failure to Comply with an Arbitration Award or Related Settlement or an Order of Restitution or Settlement Providing for Restitution Pursuant to FINRA Rule Series 9554

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

Timothy James Breslin (CRD #2981153)

Spring City, Pennsylvania (January 11, 2024) FINRA Arbitration Case #23-01481

Robin K. Johnson aka Robin K. Runco (CRD #2249156)

Rochester Hills, Michigan (January 5, 2024) FINRA Arbitration Case #19-01933

Jason Mark Kurtz (CRD #4958219)

Oklahoma City, Oklahoma (January 4, 2024) FINRA Arbitration Case #23-00417

Leslie George Markus Jr. (CRD #2688964)

Bethlehem, Pennsylvania (August 17, 2021 – January 26, 2024) FINRA Case #20210709929/ARB210008/ Arbitration Case #20-01699

David Jeffrey Morris (CRD #2522277)

Chicago, Illinois (January 11, 2024) FINRA Arbitration Case #22-02085

Duncan Tyrel Sandlin (CRD #5847373)

Wilsonville, Oregon (July 22, 2019 – January 11, 2024) FINRA Arbitration Case #18-03775