

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

Department of Enforcement,

Complainant,

v.

William Joseph Kielczewski
(CRD No. 4034356),

Respondent.

DISCIPLINARY PROCEEDING
NO. 2017054405401

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. While associated with Huntington Investment Company (“Huntington” or the “Firm”) William Joseph Kielczewski falsely and repeatedly represented to the Firm that he was merely a passive investor in a hedge fund called Mariemont Capital Partners L.P. when, in fact, he was actively involved with Mariemont, promoting it to potential investors. Kielczewski participated in multiple private securities transactions through which four Firm customers invested over \$10 million in Mariemont, without providing prior written notice to Huntington. Kielczewski willfully caused the Firm to make five false regulatory filings in which he described himself as a “passive investor” in Mariemont when he was not.

2. By participating in private securities transactions without providing written notice to Huntington, Kielczewski violated NASD Rule 3040 (for conduct before September 21, 2015) and FINRA Rule 3280 (for conduct on or after that date), as well as FINRA Rule 2010. By lying to his firm, telling it he was a passive investor in Mariemont when he was much more, Kielczewski

violated FINRA Rule 2010. By causing the Firm to file five misleading Form U4s, Kielczewski willfully violated Article V, Section 2 of FINRA's By-Laws, and FINRA Rules 1122 and 2010.

RESPONDENT AND JURISDICTION

3. Kielczewski joined the securities industry in June 1999. On January 15, 2014, Kielczewski became associated with Huntington as a general securities representative, and he remained with the Firm until his involuntary termination on April 26, 2017.

4. In a Uniform Termination Notice For Securities Industry Registration ("Form U5") dated May 25, 2017, Huntington reported Kielczewski's termination after concluding that he "misrepresented activity relating to an OBA [outside business activity], and engaged in private securities transactions without firm approval...."

5. Although Kielczewski is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because the Complaint (i) was filed within two years after the effective date of termination of Kielczewski's registration with Huntington, namely, May 25, 2017; and (ii) charges him with misconduct committed while he was registered or associated with a FINRA member.

FACTS COMMON TO ALL CAUSES OF ACTION

Mariemont Capital Entities

6. Mariemont Capital Partners, L.P. ("Mariemont LP" or the "Fund") is a hedge fund that Kielczewski and others formed in January 2014 for the purpose of trading and investing in pools of residential mortgage-backed securities.

7. Mariemont LP's confidential private offering memorandum specifically referred to the limited partnership interests in the Fund as securities available for sale only to accredited investors, as defined in Regulation D of the Securities Act of 1933 ("Reg D").

8. According to Mariemont LP's initial Form D, filed on February 10, 2014, the Fund sold its first partnership interest on January 31, 2014. The Fund experienced steady sales growth and had sold \$53.4 million in limited partnership interests to 41 investors by June 15, 2017.

9. Mariemont Capital LLC ("MC LLC") is the investment manager of the Fund, responsible for making all investments in the Fund.

10. Kielczewski formed MC LLC on August 26, 2013, along with three other individuals, including KT, a former registered representative who spent eleven years running the mortgage-backed securities trading desk at his and Kielczewski's former firm.

11. As of March 2014, Kielczewski had a 10% ownership interest in MC LLC. His ownership stake in MC LLC is now 22.25% of the company.

12. In addition to being members of MC LLC, Kielczewski, KT and a third individual are also managers of MC LLC, with the power to conduct, direct and exercise full control over all activities of the company.

13. On January 10, 2014, Kielczewski personally invested \$400,000 in the Fund.

14. In connection with his investment, Kielczewski completed a subscription agreement in which he represented that he qualified as an accredited investor under Reg D because, among other things, he was "a director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer." Kielczewski additionally represented that he satisfied the criteria to be a "qualified client" under Reg D by virtue of his position with MC LLC as an "executive officer,

director, trustee, general partner, or person serving in a similar capacity, of the investment advisor.”

15. In January 2014, Mariemont LP became a Firm customer. The Fund’s account was assigned to another Firm registered representative who worked from a different branch office than Kielczewski.

16. Although there were exploratory discussions within the Firm regarding possibly offering the Fund as an investment opportunity to high net worth or institutional customers, Huntington ultimately never permitted any of its registered representatives, including Kielczewski, to sell the Fund.

17. Huntington’s written supervisory policies and procedures in effect during Kielczewski’s tenure at Huntington expressly prohibited its registered representatives from participating in private securities transactions. Passive investments were exempt from the Firm’s prohibition provided that the representative only received income “for which he or she performs no service,” such as the receipt on interest income as a passive shareholder of a corporation.

Kielczewski’s False Disclosures to the Firm

18. After working at his prior firm for more than fourteen years, Kielczewski joined Huntington in January 2014 as a Managing Director in Institutional Sales.

19. During the employment onboarding process in late December 2013, Kielczewski submitted to the Firm a Pre-Registration Request Form, disclosing that he was engaged in an outside business activity with an entity called “Mariemont Capital.” In making his disclosure, Kielczewski did not provide the full name of the Mariemont entity and did not distinguish between the Fund and the investment manager.

20. Kielczewski described himself in the Pre-Registration Request Form as a “passive owner/investor in a general/limited partnership that invests in non-conforming MBS [mortgage-

backed securities].” He represented that he intended to devote approximately one hour per month to this other business.

21. Kielczewski further represented in the Pre-Registration Request Form that he had no business duties at Mariemont Capital and disclosed that he received \$50,000 annually in compensation from this outside business activity.

22. Additionally, Kielczewski checked “yes” when asked on the Pre-Registration Request Form whether he was a general partner in an investment-related limited partnership or manager of an investment-related limited liability company.

23. Kielczewski also represented in the Pre-Registration Request Form that he started his relationship with Mariemont Capital on November 30, 2013. In fact, Kielczewski and the others formed MC LLC on August 26, 2013, while Kielczewski was still registered with his prior firm.

24. Kielczewski also answered “yes” to the question “do you participate in any private securities transactions?” The Pre-Registration Request Form defined private securities transactions as those outside the scope of his association with the Firm, whether for compensation or not. Kielczewski quickly retracted this disclosure when Firm personnel questioned him about it.

25. In an email dated January 8, 2014, the day Kielczewski joined the Firm, a principal at the Firm asked Kielczewski to explain his private securities transaction disclosure, informing him that Huntington normally did not permit such transactions. The principal also asked Kielczewski to explain his disclosure that he was a general partner in an investment-related limited partnership or a manager of an investment-related limited liability company.

26. In a reply email that same day, Kielczewski stated that he was a “passive owner and investor in a limited partnership that invests in non-investment grade private label MBS.” He added that “[b]eing a passive general partner allows me to have minority ownership in a limited partnership company,” and that he was “not a manager of an investment related company and my passive ownership will not conflict with [Firm] clients.” In this initial response, Kielczewski did not answer the principal’s question about participating in private securities transactions.

27. Kielczewski’s initial response was escalated within the Firm. Later that day, the Firm’s Chief Compliance Officer asked Kielczewski to clarify that he was “just that of a passive investor/owner” and that he did “not engage in private securities transactions.” Kielczewski responded affirmatively, adding that “he must have misunderstood what the private securities transactions question was.”

28. Based on Kielczewski’s clarifications, the Firm approved his Outside Business Activity Request Form request to remain a passive investor in “Mariemont Capital” while associated with the Firm.

29. During the time he worked at Huntington, Kielczewski consistently represented that he had only a passive role in Mariemont Capital. Between January 2014 and December 2016, based on information Kielczewski provided, the Firm filed an initial Uniform Application For Securities Industry Registration or Transfer (“Form U4”) and four Form U4 Amendments on his behalf. Question 13 on each form, entitled “Other Business,” asked in pertinent part, “Are you currently engaged in any other business as a proprietor, partner, officer, director, employee, trustee, agent or otherwise?” In response, Kielczewski, through the Firm, represented:

SILENT MINORITY PARTNER IN MARIEMONT CAPITAL LLC. THIS IS AN INVESTMENT RELATED COMPANY. START DATE WAS 12/1/2013. I HAVE A PASSIVE POSITION IN WHICH MY PERSONAL MONIES ARE BEING INVESTED IN NON INVESTMENT GRADE MBS... 0 HOURS PER MONTH DEVOTED TO THIS BUSINESS.

30. In his 2015 Registered Representative Annual Questionnaire, Kielczewski also answered “no” to the question, “Have you engaged in any Private Securities Transactions while employed through [Huntington]?”

31. In an email dated July 1, 2016, in connection with a FINRA examination of the Firm, Kielczewski’s supervising principal asked him to clarify the nature of his investment in the Fund and to ensure the accuracy of his prior outside business activity disclosures.

32. Kielczewski again responded falsely that he had only “a passive role in Mariemont Capital” and did not solicit investors.

33. Kielczewski also disclosed to the Firm that certain Huntington customers were invested in the Fund, including SC, HG, WI, K&R and its owners KK and KP.

34. Based on his responses, at his supervisor’s request, Kielczewski completed a Disclosure of Outside Business Activity Form, dated July 14, 2016 (“July 14 OBA Form”).

35. In the July 14 OBA Form, Kielczewski identified “Mariemont Capital” as the outside business activity, describing it as a “limited partnership that manages non-rated whole loan CMOs.” Kielczewski described himself as a “passive minority owner” with “no duties or obligations.”

36. In the July 14 OBA Form, Kielczewski additionally answered “zero” in response to the question, “what percentage of your time is spent on this activity during regular business hours?” Kielczewski also checked “no” when asked, “[h]ave you solicited any other individual(s) to invest in this entity?”

37. On September 20, 2016, Kielczewski and his supervisor executed an Outside Business Activity Monitoring form, which included a business plan to document the Firm's oversight of Kielczewski's activities with Mariemont Capital.

38. As one of the "contributing factors" that formed the basis of the Firm's monitoring, Kielczewski's supervisor wrote that, based on their discussions, he understood that "Bill [Kielczewski] does not solicit funds for Mariemont, but shares common clients."

39. Kielczewski signed the form, acknowledging the accuracy of the representations contained therein.

40. As part of the plan to monitor Kielczewski's Mariemont-related activities, the Firm pledged to conduct a quarterly review of Kielczewski's emails using "Mariemont" as a filter, and to request annual confirmation that Kielczewski's representations, including that he did not solicit investors, remained accurate.

41. In an email dated December 6, 2016, Kielczewski's supervisor again asked him to confirm that he continued to hold a minority interest in "Mariemont" and that he did not solicit funds from clients. Kielczewski replied that his prior descriptions of his Mariemont-related activities remained accurate.

Kielczewski's Active Involvement in the Fund

42. During his association with Huntington, Kielczewski exchanged emails about potential investments in the Fund with executives at HG, an insurance agency incorporated in Ohio.

43. HG became a Firm customer in December 2014. Kielczewski was the broker-of-record for the HG account. Prior to becoming a Firm customer, HG maintained a brokerage account at Kielczewski's prior firm for which he also was the assigned broker.

44. On January 10, 2014, just two days after joining the Firm and representing that he would not participate in private securities transactions, Kielczewski emailed an Executive Vice President at HG to inform him that he had joined Huntington and had “a new potential investment to discuss.” Kielczewski wrote, “The former head of Mortgage-backed Trading at [Kielczewski’s prior firm] and I created a limited partnership for accredited investors that will invest in non-investment grade whole loan bonds. This fund will invest money for the limited partners only and give us a full time trader to buy and sell [mortgage-backed securities] on our behalf.” They made plans to meet in person later in the month at HG’s offices.

45. On April 4, 2014, Kielczewski emailed four executives at HG, asking to “reestablish your investment relationship with me, Mariemont Capital, and/or both.” Kielczewski discussed the Fund’s year-to-date performance and predicted that the Fund could generate an 18% return by the end of the year.

46. On April 27, 2014, Kielczewski sent another e-mail to one of the HG executives, stating:

Once we have the assets transferred to your Huntington account, I would like to set up a portfolio review with you and the [HG] team... At that point we will be able to provide recommendations ... and review a potential investment in Mariemont Capital (whole loan investment fund). In my opinion, our whole loan investments will outperform if we use Mariemont Capital... An easy transition to Mariemont would involve taking the monthly cash flows from the current whole loan positions and transferring them to Mariemont at the end of each month... I feel very confident that the performance of the Mariemont Fund will beat your expectations and help us increase our returns to a degree not possible in the traditional institutional investment account.

47. On December 2, 2015, HG invested \$1.5 million in the Fund.

48. On June 22, 2016, Kielczewski exchanged emails with HG’s Controller, in which he agreed to meet the Controller and HG’s Executive Vice President, along with KT, to discuss HG’s investment in the Fund and at the Firm.

49. A week later, on June 29, 2016, Kielczewski and KT appeared at HG's offices and made a presentation concerning HG's investments.

50. On August 1, 2016, HG invested an additional \$1.5 million in the Fund.

51. Other communications between Kielczewski and others associated with Mariemont and the Fund also demonstrate Kielczewski was more than a "passive investor."

52. On June 26, 2014, KT emailed Kielczewski a revised pitch book for the Fund. Kielczewski and KT had authored the pitch book, which was a multi-page PowerPoint presentation describing, among other things, the Fund's purpose, investment strategy, and annual performance compared to certain indexes.

53. KT also copied Kielczewski on a June 26 to July 1, 2014 email chain that included comments and edits to the pitch book by two founding members and one manager of MC LLC.

54. On August 20, 2014, KT emailed Kielczewski and two members of MC LLC a copy of the revised pitch book.

55. On August 22, 2014, during discussions concerning the pitch book, KT informed an MC LLC member that Kielczewski "is getting close with a few prospects..."

56. On January 8, 2015, KT emailed Kielczewski asking that he add Bloomberg screen shots concerning a specific residential mortgage backed security to the pitch book because he had a meeting with a prospective investor.

57. Multiple e-mails between KT and Kielczewski during 2015 and 2016 show that KT relied on Kielczewski to proofread the Fund's Quarterly Portfolio Management Reports issued to Fund investors.

58. Kielczewski made edits to certain of the quarterly reports. On February 5, 2015, Kielczewski emailed KT a 2014 fourth quarter report in which he revised two sentences. On

August 4, 2015, Kielczewski sent an email to KT, in which he described the 2015 second quarter report as too long and “wordy,” and that it contained too “many analogies that don’t connect into a cohesive story.”

59. During his association with the Firm, Kielczewski also sent KT messages with Bloomberg screen shots of certain securities attached for KT to consider as potential investment opportunities for the Fund.

60. On December 9, 2014, KT emailed Kielczewski three sample financial statements, asking Kielczewski for his opinion as to which sample statement should be used in connection with the Fund.

Kielczewski’s Participation in Private Securities Transactions

61. Kielczewski participated in private securities transactions in the Fund by four customers during his association with Huntington. These customers were: WI and RI, SC, K&R and KK.

62. His participation in these private securities transactions included sending email correspondence to introduce customers to the Fund, making investment recommendations and facilitating transfers of assets to fund their investments.

Customers WI and RI

63. WI and RI are a married couple who, in January 2014, opened a joint brokerage account at the Firm for which Kielczewski was the broker-of-record. Prior to opening an account at Huntington, WI and RI held a joint brokerage account at Kielczewski’s prior firm for which he also was the assigned broker.

64. On February 5, 2014, Kielczewski sent a message to KT that he was “done with [WI]..., who was going to sell his [ABC] ... and [DEF] bonds,” and that once settled, WI would move the proceeds from these transactions into the Fund.

65. Subsequently on February 11, 2014, WI emailed Kielczewski, stating, “We are on the same page. Go ahead and execute these 3 sales...” Kielczewski replied, “OK will do and will let you know what [KT] comes up with.”

66. On February 14, 2014, Kielczewski sold ABC and DEF, as well as a municipal bond held in the WI and RI account for approximately \$222,000.

67. Using the proceeds from the bonds sales, plus additional cash on deposit in WI and RI’s account, WI authorized the transfer of \$303,841.39 to the Mariemont LP brokerage account at the Firm in order to invest in the Fund.

68. WI and RI invested in the Fund on February 14, 2014.

Customer SC

69. SC is an Ohio-based chemical manufacturer that opened an account at the Firm in January 2014 for which Kielczewski was the broker-of-record. Before that, SC had a brokerage account at Kielczewski’s prior firm for which he also was the assigned broker.

70. On January 29, 2014, SL, then treasurer of SC, emailed KT, on which he copied Kielczewski, a signed Fund Limited Partnership Agreement and subscription agreement, which indicated that SC’s initial investment would be \$3.85 million.

71. SL subsequently emailed Kielczewski, instructing him to wire \$3.85 million from SC’s brokerage account at the Firm to the Fund.

72. On January 31, 2014, Kielczewski emailed SL, informing him that the Firm was unable to wire funds from the SC brokerage account to the Fund due to certain technical issues. Kielczewski added, “[w]e think we have a solution to this very stupid and frustrating situation.”

73. Kielczewski asked SL to provide his sales assistant with information concerning SC’s third-party bank to effect the transfer.

74. Using Kielczewski’s suggested process to wire funds, on January 31, 2014, SC invested \$3.85 million in Mariemont LP.

75. On February 26, 2014, KT messaged Kielczewski in part, “let’s go ... get another 2 mm from [SC] in here.”

76. One week later, on March 5, 2014, Kielczewski was copied on an email sent by KT to senior financial officers at SC, informing them that the Fund was “off to a great start!” Kielczewski replied to the email, informing the SC representatives that “we have a lot of cash in money market to start the month should you want to deploy, and we can continue to expect our current MBS to prepay around \$330K+ on the 25th of this month.”

77. On March 6, 2014, Kielczewski emailed SL, attaching a wire request form, explaining that the form needed to be completed “in order to move funds from the [SC] investment account to the Mariemont Investment Account.” After receiving the completed wire instructions from SL, Kielczewski forwarded the documents to his sales assistant and asked her to process the wire.

78. One day later, on March 7, 2014, SC invested \$2.15 million in the Fund.

Customers K&R and its Secretary/Treasurer KK

79. K&R is a construction contractor located in Michigan. KK is K&R’s Secretary and Treasurer. In April 2016, both K&R and KK became Firm customers, and Kielczewski was the

broker-of-record for their accounts. Prior to opening accounts at the Firm, both K&R and KK held brokerage accounts at Kielczewski's prior firm for which he also was assigned.

80. On March 24, 2016, KK emailed Kielczewski, thanking him for meeting the day before and informing him that he would "probably go" with Kielczewski's recommendation "in terms of the split of my assets between Mariemont and the institutional account."

81. On May 24, 2016, KK emailed Kielczewski completed wire documents, asking, "I assume you will need the funds to wire to Mariemont after they have hit my account?" Kielczewski responded that KK was correct and that he would tell KT to provide KK with wire instructions.

82. Two days later, on May 26, 2016, K&R invested \$1 million in the Fund.

83. On June 1, 2016, KK invested an additional \$3 million in the Fund.

Kielczewski's Income Tax Documents Contradict His Claims of Being a Passive Owner

84. Between 2014 through 2016, Kielczewski declared income on his federal income tax filings from two Mariemont-related entities: (a) the Fund and (b) the investment manager.

85. On the Schedule K-1s related to the Fund, Kielczewski is identified as a limited partner, which is consistent with being an investor in a hedge fund.

86. In contrast, on the Schedule K-1s issued by the investment manager, MC LLC, Kielczewski is identified as a general partner or LLC member-manager who has a 10% share of the company's profits and losses between 2014 and 2015, increasing to a 20% share in 2016. Moreover, each of the tax returns that Kielczewski filed between 2014 and 2016 identify the proceeds he received from MC LLC as non-passive income.

FIRST CAUSE OF ACTION
False Statements to Broker-Dealer Employer
Violation of FINRA Rule 2010

87. The Department of Enforcement realleges and incorporates by reference paragraphs 1 through 86 above.

88. FINRA Rule 2010 states that “[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.” FINRA Rule 0140(a) provides that FINRA Rules “shall apply to all members and persons associated with a member” and that “[p]ersons associated with a member shall have the same duties and obligations as a member under the Rules.”

89. On January 8, 2014, Kielczewski sent emails to a securities principal at the Firm and to Huntington’s then-CCO representing that he was merely a passive owner in connection with Mariemont Capital. Kielczewski continued to claim in two compliance attestations he completed in 2015 and 2016, as well as in email correspondence exchanged with his then-supervisor, that he had only a “passive role in Mariemont Capital” and that he did not solicit investments for the Fund. Those representations were false.

90. During his association with the Firm, Kielczewski actively promoted the Fund to potential investors through email correspondence in which he not only solicited investments but also touted the Fund’s performance and scheduled meetings with customers to discuss the Fund. Kielczewski also helped to facilitate customer investments in the Fund by assisting in the completion of wire transfers in order to fund their investments in Mariemont LP.

91. Kielczewski also reviewed and made revisions to the Fund’s pitch book and quarterly portfolio reports, and occasionally suggested to KT certain securities to purchase for the Fund.

92. Furthermore, Kielczewski's tax returns show that his involvement with the Fund was more than passive ownership. Schedule K-1s received by Kielczewski for the 2014, 2015 and 2016 tax years identify him as a general partner of MC LLC, and he declared ordinary business income losses for 2014 and non-passive ordinary income for 2015 and 2016.

93. By virtue of the foregoing, Kielczewski engaged in conduct that was inconsistent with high standards of commercial honor and just and equitable principles of trade in violation of FINRA Rule 2010.

SECOND CAUSE OF ACTION
Private Securities Transactions
Violation of NASD Rule 3040, FINRA Rule 3280 and FINRA Rule 2010

94. Enforcement realleges and incorporates by reference paragraphs 1 through 93 above.

95. NASD Rule 3040(b) (for conduct before September 21, 2015) and FINRA Rule 3280(b) (for conduct on and after that date) require associated persons to provide written notice to their broker-dealer employers prior to participating in any private securities transaction. The notice must describe in detail the proposed transaction and the person's proposed role therein, and whether he has received or may receive selling compensation in connection with the transaction.

96. Both NASD Rule 3040(e)(1) and FINRA Rule 3280(e)(1) define a private securities transaction as "any securities transaction outside the regular course or scope of an associated person's employment with a member."

97. A violation of NASD Rule 3040 and FINRA Rule 3280 is also a violation of FINRA Rule 2010, which states that "[a] member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade."

98. Between January 2014 and June 2016, Kielczewski participated in over \$10 million of private securities transactions with four Firm customers.

99. Specifically, Kielczewski executed the sales of securities from WI and RI's account in order to fund their \$303,841.39 transfer to the Mariemont LP brokerage account as part of their investment in the Fund.

100. Kielczewski promoted the Fund to SC and assisted SC on two occasions in wiring of \$6 million to invest in the Fund.

101. Additionally, Kielczewski recommended that KK and K&R invest in the Fund and also assisted these Firm customers in transferring \$4 million to Mariemont LP.

102. Kielczewski engaged in this activity without providing written notice of his participation in these private securities transactions to the Firm.

103. By virtue of the foregoing, Kielczewski violated NASD Rule 3040 and FINRA Rules 3280 and 2010.

THIRD CAUSE OF ACTION
Willfully Filed Misleading Form U4 Amendments
Violation of Article V, Section 2 of FINRA's By-Laws, FINRA Rules 1122 and 2020

104. Enforcement realleges and incorporates by reference paragraphs 1 through 103 above.

105. Article V, Section 2(c) of FINRA's By-Laws requires that every application for registration filed with FINRA be kept current at all times by supplementary amendments.

106. FINRA Rule 1122 states that no associated person shall file with FINRA information with respect to registration that 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." Associated persons, therefore, are required by FINRA Rule 1122 to answer the questions on a Form U4 fully and accurately.

107. At all times between January 2014 and December 2016, Question 13 of Form U4 asked, "Are you currently engaged in any other business as a proprietor, partner, officer, director,

employee, trustee, agent, or otherwise?” The Form U4 requires any registered representative who answers “yes” to provide details relating to the other business, including the name and nature of the other business, whether the business is investment-related, the title of the position held or the relationship with the other business, the date when the business relationship started, the approximate number of hours a month and number of hours during securities trading hours devoted to the other business, and a brief description of the duties performed.

108. During his association with Huntington, Kielczewski answered “yes” to Question 13 in connection with his initial Form U4 and four Form U4 amendments, willfully stating that he was a silent minority partner in MC LLC and that he had a passive position with the company in which his personal monies were invested in non-investment grade mortgaged backed securities, which was false.

109. By virtue of the foregoing, Kielczewski willfully violated Article V, Section 2(c) of FINRA’s by-laws and FINRA Rules 1122 and 2010.

RELIEF REQUESTED

WHEREFORE, the Department of Enforcement respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed;
- C. order that Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330; and

- D. make specific findings that Respondent's conduct, as alleged in the Third Cause of Action, was willful; the misrepresentations were material; and the misrepresentations were on a Form U4 application and amendments.

FINRA DEPARTMENT OF ENFORCEMENT

Date: May 21, 2019



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