

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20180576592-01**

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Steven Pagartanis, Respondent
Investment Company and Variable Contracts Products Representative
CRD No. 1958879

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Steven Pagartanis ("Pagartanis" or "Respondent"), submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Pagartanis entered the securities industry in 1989. From 1989 through March 2017, Pagartanis was registered with FINRA as an Investment Company and Variable Contracts Products Representative ("IR") through 11 different FINRA member firms. On September 7, 2017, Pagartanis became registered as an IR through Lombard Securities Incorporated (BD 27954). On March 17, 2018, Lombard filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") terminating Pagartanis's registration. According to the Form U5, Pagartanis failed to respond to the firm's inquiries made in an internal investigation regarding "unapproved investments allegedly made outside of the firm by a customer."

Although Pagartanis is not currently registered with FINRA or associated with a FINRA member firm, FINRA retains jurisdiction over him under Article V, Section 4(a) of the FINRA By-Laws.

RELEVANT DISCIPLINARY HISTORY

Pagartanis does not have any disciplinary history with the Securities and Exchange Commission, any state securities regulators, FINRA, or any other self-regulatory organization.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 8210(a)(1) states, in relevant part, that FINRA has the right to “require a member, person associated with a member, or any other person subject to FINRA’s jurisdiction to provide information orally, in writing, or electronically . . . with respect to any matter involved in the investigation . . .” FINRA Rule 8210(c) states that “[n]o member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule.” FINRA Rule 2010 requires members and its associated persons to observe high standards of commercial honor and just and equitable principles of trade.

On March 30, 2018, FINRA staff sent a request to Pagartanis, pursuant to FINRA Rule 8210, to appear for on-the-record testimony on April 10, 2018. The request was sent in connection with FINRA’s investigation of allegations that Pagartanis made fraudulent misrepresentation to customers and misappropriated customers’ funds. In response to the request, Pagartanis’s counsel contacted FINRA staff, acknowledged receipt of the request, and stated that Pagartanis would not appear for on-the-record testimony at any time. Pagartanis did not appear for testimony on April 10, 2018.

By refusing to appear for on-the-record testimony as requested pursuant to FINRA Rule 8210, Pagartanis violates FINRA Rules 8210 and 2010.

B. I also consent to the imposition of the following sanctions:

- A bar from association with any FINRA member in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA’s By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (*see* FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

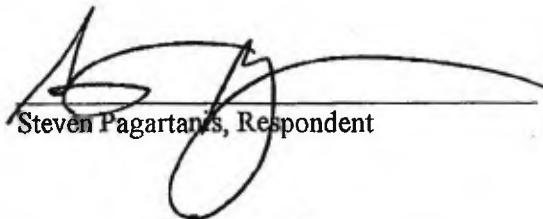
I understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:

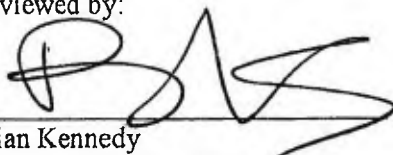
1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

4/11/18
Date (mm/dd/yyyy)


Steven Pagartanis, Respondent

Reviewed by:

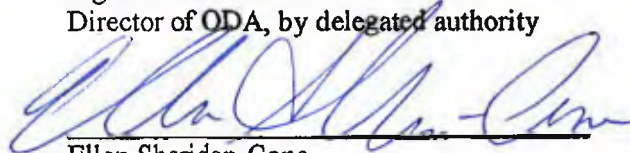

Brian Kennedy
Counsel for Respondent
Law Office of Brian Kennedy
87 Walker Street, 2nd Floor
New York, NY 10013
(212) 687-0099
kennedy@boklaw.com

Accepted by FINRA:

April 13, 2018

Date

Signed on behalf of the
Director of ODA, by delegated authority



Ellen Sheridan-Cona
Senior Regional Counsel
FINRA Department of Enforcement
Brookfield Place
200 Liberty Street
New York, NY 10281
(646) 315-8455
ellen.sheridan-cona@finra.org