

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2018058649501\_\_\_\_\_**

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

RE: Michael Castillero, Respondent  
General Securities Representative  
CRD No. 4583917

Pursuant to FINRA Rule 9216 of FINRA’s Code of Procedure, I, Michael Castillero (“Castillero”) 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 Respondent 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**

Castillero first became registered as a General Securities Representative (“GSR”) in 2002. From March 2012 to June 2017, he was registered with FINRA in this capacity through Alexander Capital, L.P. (“Alexander Capital” or the “Firm”) (BD No. 40077). Since his termination from another FINRA member firm in October 2017, Castillero has not been registered with a FINRA regulated broker-dealer. Although Castillero is not presently associated with a FINRA member firm, he remains subject to FINRA’s jurisdiction pursuant to Article V, Section 4 of FINRA’s By-Laws.

**RELEVANT DISCIPLINARY HISTORY**

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

## OVERVIEW

In connection with its investigation of Castellero's conduct with respect to a customer account at Alexander Capital, FINRA staff requested pursuant to Rule 8210 that Respondent appear to provide on-the-record testimony. Castellero refused to provide testimony pursuant to that request. As a result, Castellero violated FINRA Rules 8210 and 2010.

## FACTS AND VIOLATIVE CONDUCT

FINRA Rule 8210(a)(1) states, in relevant part, that FINRA may "require a member, person associated with a member, or any other person subject to FINRA's jurisdiction to . . . testify at a location specified by FINRA staff. . . with respect to any matter involved in [a FINRA] investigation. . ." Rule 8210(c) provides that "no member or person shall fail to provide information or testimony . . . pursuant to this Rule." A violation of FINRA Rule 8210 is also a violation of FINRA Rule 2010.

This matter arises from FINRA's investigation into allegations that Castellero engaged in unauthorized trading in a Firm customer's account, made payments in an attempt to settle the customer's complaint regarding the trades without notifying Alexander Capital, and made false statements regarding this conduct to FINRA.

On December 10, 2018, FINRA staff sent Castellero through his counsel a request for on-the-record testimony pursuant to FINRA Rule 8210. As stated in his counsel's email to FINRA staff on December 31, 2018, and by this agreement, Castellero acknowledges that he received FINRA's request and will not appear for on-the-record testimony at any time.

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

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

- A bar from associating 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 prejudice 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**

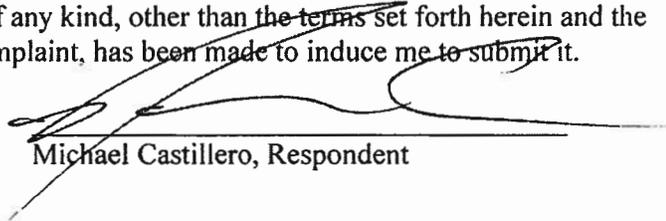
I understand that:

- 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;

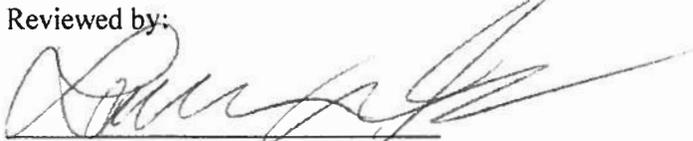
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against 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.

01/15/2019  
Date (mm/dd/yyyy)

  
Michael Castillero, Respondent

Reviewed by:

  
Lawrence Gelber  
Counsel for Respondent  
The Vanderbilt Plaza  
34 Plaza Street, Suite 1107  
Brooklyn, NY 11238  
(718) 638-2383

Accepted by FINRA:

2/6/19  
Date

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

Reema Abdelhamid (10)

Reema Abdelhamid  
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FINRA Department of Enforcement  
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