

FINANCIAL INDUSTRY REGULATORY AUTHORITY

In the Matter of the  
Continued Membership  
of

G.A. Repple and Company  
(CRD No. 17486)

Notice Pursuant to  
Rule 19h-1 of the  
Securities Exchange Act  
of 1934

SD-2236

**Date: February 11, 2020**

**I. Introduction**

On January 29, 2019, G.A. Repple and Company (“G.A. Repple” or the “Firm”) submitted a Membership Continuance Application (“MC-400A” or the “Application”) with FINRA’s Department of Registration and Disclosure.<sup>1</sup> The Firm, a FINRA member subject to statutory disqualification, submitted the Application to continue its membership with FINRA notwithstanding its disqualification. A hearing was not held in this matter. Rather, pursuant to FINRA Rule 9523(b), FINRA’s Department of Member Regulation (“Member Regulation”) approves the Firm’s Application and files this Notice pursuant to Rule 19h-1 of the Securities Exchange Act of 1934 (the “Exchange Act”).

**II. The Statutorily Disqualifying Event**

The Firm, as well as Alan Siegel (“Siegel”), a registered representative of the Firm, are subject to statutory disqualification pursuant to Section 3(a)(39)(F) of the Exchange Act, incorporating by reference Sections 15(b)(4)(H)(ii) of the Exchange Act, due to a Consent Order (“Order”) filed by the Commonwealth of Massachusetts Office of the Secretary of the Commonwealth Securities Division (“Massachusetts Division”), dated September 21, 2018, in which the Firm was found to have violated 950 Mass. Code Regs. Section 12.204(1)(a)(18)(a), which constitutes a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct.<sup>2</sup> Specifically, G.A. Repple failed to reasonably supervise Siegel in

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<sup>1</sup> See the Record (“R.”) (attached as Exhibit 1) that was compiled by FINRA’s Registration and Disclosure Department and provided to the parties and FINRA’s Office of General Counsel on January 30, 2019, pursuant to FINRA Procedural Rule 9524(a)(3). The Firm’s Application fee of \$5,000 was deducted from its Central Registration Depository account on February 2, 2019 (see R. at FINRA00113).

<sup>2</sup> See the Consent Order, *In the Matter of Alan P. Siegel and G.A. Repple & Company*, Docket No. E-2018-0003, dated September 21, 2018 (attached as Exhibit 2).

connection with false information that he posted to his website. The Firm submitted an Offer of Settlement to the Division, admitting to the Statement of Facts.<sup>3</sup> As a result of its misconduct, the Firm was ordered to permanently cease and desist from further conduct in violation of the Acts and Regulations in the Commonwealth; the Firm was censured by the Massachusetts Division; the Firm was required to pay an administrative fine, in the amount of \$25,000, within five days of the entry of the Order;<sup>4</sup> G.A. Repple was ordered to monitor Siegel's Uniform Application for Securities Industry Registration or Transfer ("Form U4") for a period of 3 years to ensure it accurately reflects any changes to Siegel's disciplinary history; the Firm is required to monitor Siegel's website, for a period of 3 years, to ensure that all new and existing website content is consistent with Siegel's Form U4; the Firm must provide heightened supervision over Siegel for a period of 2 years; and G.A. Repple's Compliance Department must conduct an annual audit, of Alan Siegel Financial Services, which shall include a mandatory review of all of Siegel's Massachusetts customer accounts.<sup>5</sup> Further, the Firm was required to retain the services of an independent consultant; submit the independent consultant's Report to the Massachusetts Division;<sup>6</sup> and the Report's recommendations shall not be unacceptable to the Massachusetts Division's Enforcement Section.<sup>7</sup> Lastly, 2 years after the entry of the Order, the Firm is required to submit, within fifteen days, an affidavit to the Director of the Division, evidencing compliance with all of the conditions of the Order; and

### **III. Background Information**

#### **A. The Firm**

The Firm is based in Casselberry, Florida and has been a FINRA member since June 27, 1986.<sup>8</sup> The Firm represents that it maintains six Offices of Supervisory Jurisdiction and 49 branch offices.<sup>9</sup> G.A. Repple also represents that it employs 75 registered representatives, 10 of whom are registered principals.<sup>10</sup>

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<sup>3</sup> See Offer of Settlement, which was submitted to the Division, in the matter of Alan P. Siegel and G.A. Repple & Co., Docket No. E-2018-0003, executed on September 19, 2018 (attached as Exhibit 3).

<sup>4</sup> The Firm has evidenced to FINRA that the \$25,000 administrative fine, has been paid in full. See email from Kathy McQueen ("McQueen") of G.A. Repple, to Lorraine Lee ("Lee") of FINRA, dated August 20, 2019, in which Ms. McQueen references the attached letter and copy of check, sent from Glenn A. Repple, to the Commonwealth of Massachusetts, dated September 26, 2018 (collectively attached as Exhibit 4).

<sup>5</sup> See Exhibit 3 at 13 – 16.

<sup>6</sup> See email from McQueen of G.A. Repple, to Lee of FINRA, dated August 20, 2019, in which Ms. McQueen references the attached Report, prepared by Blueprint Regulatory Consulting, in accordance with the Order (collectively attached as Exhibit 5).

<sup>7</sup> See email from McQueen of G.A. Repple, to Lee of FINRA, dated August 20, 2019, in which Ms. McQueen references the attached email communications to staff at the Massachusetts Division, which accepted the recommendations in the Report as not unacceptable (collectively attached as Exhibit 6).

<sup>8</sup> See CRD Snapshot Report for the Firm, generated on August 18, 2019, at 3 (attached as Exhibit 7).

<sup>9</sup> Exhibit 1 at FINRA00053.

<sup>10</sup> *Id.*

G.A. Repple is engaged in the following lines of business: broker or dealer retailing corporate equity securities over-the-counter; broker or dealer selling corporate debt securities; broker or dealer involved in a networking, kiosk, or similar arrangement with a bank, savings bank or association, or credit union; mutual fund retailer; U.S. government securities broker; investment advisory services; mutual fund retailer; broker or dealer selling interests in mortgages or other receivables; municipal securities broker; broker or dealer selling securities of non-profit organizations; broker or dealer selling gas or oil interests; put and call broker or dealer or option writer; private placements of securities; solicitor of time deposits in a financial institution; broker or dealer selling tax shelters or limited partnerships in primary distributions; broker or dealer selling tax shelters or limited partnerships in the secondary market; underwriter or selling group participant (corporate securities other than mutual funds); broker or dealer selling variable life insurance or annuities; investment banking; the Firm may be sub-contracted through various legal firms to perform transfer services to clients implementing trusts created by various legal firms; and the Firm engages in the sale of various insurance products on an agency basis selling to retail clients.<sup>11</sup> Siegel is the only statutorily disqualified individual employed by the Firm.

Other than the MSRB, G.A. Repple is not a member of any other self-regulatory organization.<sup>12</sup>

#### B. FINRA Routine Examinations

FINRA has conducted periodic cycle examinations of the Firm's sales practices and financial operations.

The Firm's most recent examination was conducted in 2018, and resulted in a cautionary action, in which the Firm was cited for two exceptions.<sup>13</sup> FINRA found that the Firm was not in compliance with FINRA Rule 2330(d) (Supervisory Procedures), FINRA Rule 2330(e) (Training), FINRA Rule 3110(a) (Supervisory Systems) and FINRA Rule 3110(b) (Written Procedures), relative to G.A. Repple's sales of variable annuities; and with respect to a rollover from a qualified plan, in that the Firm and its registered representatives did not consistently obtain material information to determine suitability and the Firm failed to establish supervisory procedures to ensure that its registered representatives received training regarding rollovers from qualified plans.<sup>14</sup>

Prior to 2018, FINRA conducted another examination of G.A. Repple in 2017, and that examination also resulted in a cautionary action.<sup>15</sup> FINRA cited the Firm for four exceptions, which included, the Firm's failure to comply with: 1) FINRA Rule 4530 (Reporting

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<sup>11</sup> See Exhibit 7 at 5.

<sup>12</sup> *Id.* at 3 - 4. See also Exhibit 1 at FINRA00053.

<sup>13</sup> See FINRA Disposition Letter, dated November 12, 2018; the Report of Examination, Examination No. 20180562715, dated October 12, 2018; and the Firm's response (without attachments), dated November 8, 2018 (collectively attached as Exhibit 8).

<sup>14</sup> *Id.*

<sup>15</sup> See FINRA Disposition Letter, dated October 12, 2017; the Report of Examination, Examination No. 20170521452, dated August 31, 2017; and the Firm's response, dated September 15, 2017 (collectively attached as Exhibit 9).

Requirements) for failing to accurately report two customer complaints; 2) FINRA Rule 3110(b) (Written Procedures), FINRA Rule 4511 (General Requirements), and Exchange Act Rule 17a-3 (Records to be Made by Certain Exchange Members, Brokers & Dealers) for its failure to adequately supervise its Palmetto Bay, Florida and a registered representative of that office; 3) a registered representative, S.M., was cited for failing to disclose several outside business activities; 4) a registered representative, J.W., was not in compliance with FINRA Rule 2210(b)(1)(A) (Communications with the Public), FINRA Rule 2210 (d)(1)(B) (Content Standards) and FINRA Rule 3110 (b) (Written Procedures) for using unapproved advertising/seminar material.

### C. Regulatory Actions

In addition to the 2018 action of the Massachusetts Division, there have been four state actions filed against the Firm, in 2009, 2010 and 2011. The state actions were filed by the Missouri Department of Insurance, Financial Institutions & Professional Registration, in 2009; the Delaware Insurance Department in 2010; the Alabama Department of Insurance, in 2010; and the New York State Department of Financial Services, in 2011. Further, the Firm also entered into two FINRA Letters of Acceptance, Waiver and Consent, in 2004 and 2006. The Firm's regulatory history is fully detailed in its CRD snapshot.<sup>16</sup>

### D. Customer Complaint

Within the past two years, the Firm has been the subject of one customer complaint, which was filed against G.A. Repple and a former<sup>17</sup> registered representative on June 19, 2018.<sup>18</sup> The complaint alleged that he made unsuitable investment recommendations and misrepresentations from 2010 to 2012. The complaint resulted in arbitration and subsequent settlement wherein the Firm and the registered representative were jointly and severally responsible for an award of \$45,000 to the complainants, and the complainants returned the disputed security.<sup>19</sup>

## IV. **The Firm's Continued Membership with FINRA and Supervisory Plan**

The Firm seeks to continue its membership with FINRA notwithstanding the Order. In support of its Application, the Firm has agreed to the following plan of supervision (the "Plan").<sup>20</sup>

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<sup>16</sup> Exhibit 7 at 9 – 29.

<sup>17</sup> See Form U5 filing dated December 15, 2014, which states the registered representative was terminated on December 31, 2014 (attached as Exhibit 10).

<sup>18</sup> See Form U4 amendment dated October 3, 2019, CRD Disclosure Composite No. 1983340, extracted from the former registered representative's CRD record (attached as Exhibit 11). As noted in the U4 amendment, the customers originally filed a civil case, which was dismissed after the matter was removed to FINRA arbitration. See also Exhibit 1 at FINRA00076.

<sup>19</sup> See Exhibit 11. See also email from McQueen of G.A. Repple, to Lee of FINRA, dated November 19, 2019, wherein she provides additional details relative to the settlement of the customer complaint (attached as Exhibit 12).

<sup>20</sup> See G.A. Repple's Consent to Supervisory Plan and Supervisory Plan, dated August 29, 2019 (attached as Exhibit 13).

1. The Firm will comply with all of the undertakings outlined in the Consent Order;

**Undertakings from the Massachusetts' Division Consent Order**

- a. Within five (5) business days of the entry of the Order, G.A. Repple shall pay an administrative fine in the amount of \$25,000 to the Commonwealth of Massachusetts;<sup>21</sup>
- b. G.A. Repple shall, for a period of 3 years from the date of the Order,<sup>22</sup> conduct ongoing monitoring of Alan Siegel's ("Siegel") Form U4 to ensure it accurately reflects all changes to Siegel's disciplinary history;
- c. G.A. Repple shall, for a period of 3 years from the date of the Order,<sup>23</sup> conduct ongoing monitoring of Siegel's website, associated with Alan Siegel Financial Services, to ensure that all new and existing website content is consistent with the information reflected on Siegel's Form U4. The website address is [www.siegelfinancial.com](http://www.siegelfinancial.com);
- d. G.A. Repple shall, for a period of 2 years from the date of the Order,<sup>24</sup> supervise Siegel subject to the following terms:
  - i. Siegel's supervisor or his or her successor, will randomly select on a quarterly basis, the greater of ten or 10% of Siegel's Massachusetts customer accounts and conduct a review of the transactions effected in those customer accounts. If there are less than 10 Massachusetts customers, all of Siegel's Massachusetts customer accounts shall be reviewed. Factors that should be considered during the account review should include suitability and overconcentration;
  - ii. G.A. Repple will notify the Massachusetts Division should the individual responsible for the heightened supervision of Siegel change; and
  - iii. G.A. Repple's Compliance Department will conduct an annual audit of Siegel's company, Alan Siegel Financial Services, which will include a mandatory review of all of Siegel's Massachusetts customer accounts. All reviews should be undertaken to detect and prevent potential securities violations and the reviews must be memorialized in writing. Copies of the annual audit reviews will be maintained and kept segregated for ease of review during any statutory disqualification audit.

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<sup>21</sup> The Firm has fully complied with this provision. See Exhibit 4, wherein the Firm has provided a copy of the check \$25,000, which was submitted to the Commonwealth of Massachusetts.

<sup>22</sup> The Order is dated September 21, 2018, therefore the Firm must comply with this provision until September 21, 2021.

<sup>23</sup> The Order is dated September 21, 2018, therefore the Firm must comply with this provision until September 21, 2021.

<sup>24</sup> The Order is dated September 21, 2018, therefore the Firm must comply with this provision until September 21, 2020.

- e. G.A. Repple shall retain, within thirty (30) days of the entry of the Order, the services of an independent consultant (“Independent Compliance Consultant”) not unacceptable to the Enforcement Section. The Independent Compliance Consultant’s compensation and expenses shall be paid exclusively by G.A. Repple. G.A. Repple will require the Independent Compliance Consultant to conduct a comprehensive review of G.A. Repple’s policies, procedures, training, and/or processes as guided and informed by the allegations in the complaint, specifically those allegations related to the Website review by G.A. Repple. The comprehensive review shall include, but not be limited to, a review of G.A. Repple’s supervision of new and existing website content created by its representatives, and a review of G.A. Repple’s policies and procedures regarding its representatives’ advertisements and communications with retail investors, subject to the following terms<sup>25</sup>:
    - i. Within one hundred twenty days (120) of the entry of the Order, the Independent Compliance Consultant shall submit a report to the Enforcement Section containing the finds of the comprehensive review (the “Report”).<sup>26</sup> The Report shall include, but not be limited to, a description of the review performed, the conclusions reached, and the recommendations for changes in or improvements to the policies and procedures of G.A. Repple, as well as a procedure for implementing the recommended changes in or improvements to those policies and procedures;
    - ii. The Report’s recommendations shall not be unacceptable to the Enforcement Section, provided that the Enforcement Section shall not unreasonably withhold its approval of those recommendations; and
    - iii. If the recommendations are not unacceptable to the Enforcement Section, G.A. Repple shall promptly adopt all recommendations contained in the Report.
  - f. After 2 years from the entry of the Order, G.A. Repple shall submit, within fifteen (15) days, to the Director an affidavit stating that G.A. Repple has fully complied with all conditions of the Order. In the event G.A. Repple cannot submit the required affidavit, G.A. Repple will instead submit a statement explaining why the affidavit cannot be submitted.
2. The Firm will notify Member Regulation if and when the Massachusetts Division staff grants any extensions to any of the deadlines set forth in the Order;

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<sup>25</sup> The Firm has fully complied with this provision. See Exhibit 5, wherein the Firm has provided a copy of the Report, as completed by Blueprint Regulatory Consulting.

<sup>26</sup> The Firm has fully complied with this provision. See Exhibit 6, wherein the Firm has provided email communications, from staff at the Massachusetts Division and the staff has accepted the recommendations in the Report, as completed by Blueprint Regulatory Consulting.

3. The Firm will retain all certifications, reports and other documentation submitted to the Massachusetts Division staff in accordance with the Order as well as any other documentation needed to evidence its completion of each of the undertakings outlined in the Order, as well as in this Supervisory Plan. The Firm must provide copies of all certifications, reports and other documentation to FINRA. The Firm will submit the documents to FINRA's Statutory Disqualification Program @ [SDMailbox@FINRA.org](mailto:SDMailbox@FINRA.org);
4. The Firm will segregate all documentation related to the foregoing provisions in a separate file for FINRA's review during any statutory disqualification examination;
5. For the duration of the Firm's statutory disqualification, G.A. Repple must obtain written approval from Member Regulation prior to changing any provision of the Plan; and
6. The Firm will submit any proposed changes or other requested information under this Plan to FINRA's Statutory Disqualification Program @ [SDMailbox@FINRA.org](mailto:SDMailbox@FINRA.org).

## **V. Discussion**

After evaluating this Application, Member Regulation approves the Firm's request to continue its membership with FINRA, subject to the terms and conditions set forth herein. In evaluating the Firm's Application, Member Regulation assessed whether the Firm has demonstrated that its continued membership is consistent with the public interest and does not create an unreasonable risk of harm to investors or the markets.<sup>27</sup> The factors that Member Regulation considered in making this assessment include: the nature and gravity of the disqualifying event; the length of time that has elapsed since the disqualifying event; whether any intervening misconduct has occurred; the nature of the securities-related activities proposed in the Application; the regulatory history and industry experience of the member firm; and any other mitigating or aggravating circumstances that may exist.

While the Order at issue involves serious violations of the federal securities laws, the Massachusetts Division accepted G.A. Repple's Offer of Settlement, and through its Order, required the Firm to take appropriate remedial actions, which the Firm is executing. Specifically, the undertakings, from the Order, addresses the Firm's ongoing monitoring of Siegel to ensure that he is properly and adequately supervised in order to prevent any future potential misconduct. Finally, the Firm's proposed Supervisory Plan, which it agreed not to alter without FINRA's prior approval, is reasonably designed to ensure the Firm's continued compliance with the terms of the Order. Further, following approval of the Firm's continued membership with FINRA, FINRA will utilize its examination and surveillance processes to monitor the Firm's compliance with the standards prescribed by Exchange Act Rule 19h-1 and FINRA Rule 9523.

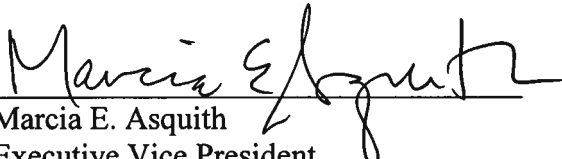
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<sup>27</sup> See *In the Matter of the Continued Membership of J.P. Morgan Securities, LLC*, (FINRA NAC 2014) available at [http://www.finra.org/sites/default/files/NAC%20Statutory%20Disqualification%20Decision%20SD1904\\_0\\_0\\_0\\_0\\_0\\_0\\_0.pdf](http://www.finra.org/sites/default/files/NAC%20Statutory%20Disqualification%20Decision%20SD1904_0_0_0_0_0_0_0.pdf) (last visited May 6, 2019) (citing *Frank Kufrovich*, 55 S.E.C. 616, 624 (2002)).

As such, Member Regulation is satisfied that the Firm's continued membership with FINRA does not create an unreasonable risk of harm to the market or investors. Accordingly, Member Regulation approves the Firm's Application to continue its membership with FINRA as set forth herein.

In conformity with the provisions of Rule 19h-1 of the Exchange Act, the continued membership of the Firm will become effective within 30 days of the receipt of this notice by the Commission, unless otherwise notified by the SEC.

On Behalf of FINRA,

  
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Marcia E. Asquith  
Executive Vice President



### **Exhibits**

1. The Record (“R.”), with the Firm’s Membership Continuance Application included, which was provided to the parties and FINRA’s Office of General Counsel on January 30, 2019.
2. The Consent Order, *In the Matter of Alan P. Siegel and G.A. Repple & Company*, Docket No. E-2018-0003, dated September 21, 2018.
3. Offer of Settlement, which was submitted to the Division, *In the Matter of Alan P. Siegel and G.A. Repple & Company*, Docket No. E-2018-0003, executed on September 19, 2018.
4. Email from Kathy McQueen of G.A. Repple, to Lorraine Lee, of FINRA, dated August 20, 2019, and attached letter and copy of check.
5. Email from Kathy McQueen of G.A. Repple, to Lorraine Lee, of FINRA, dated August 20, 2019, and attached report.
6. Email from Kathy McQueen of G.A. Repple, to Lorraine Lee of FINRA, dated August 20, 2019, and attached email communications with the Massachusetts Division.
7. CRD Snapshot Report for the Firm, generated on August 18, 2019.
8. FINRA Disposition Letter, dated November 12, 2018; the Report of Examination, Examination No. 20180562715, dated October 12, 2018; and the Firm’s response (without attachments), dated November 8, 2018.
9. FINRA Disposition Letter, dated October 12, 2017; the Report of Examination, Examination No. 20170521452, dated August 31, 2017; and the Firm’s response, dated September 15, 2017.
10. Form U5 filing for the former registered representative dated December 15, 2014, stating date of termination as December 31, 2014.
11. Form U4 amendment dated October 3, 2019, CRD Disclosure Composite No. 1983340, extracted from the former registered representative’s CRD record.
12. Email from Kathy McQueen of G.A. Repple, to Lorraine Lee of FINRA, dated November 19, 2019.
13. G.A. Repple’s Consent to Supervisory Plan and Supervisory Plan, dated August 29, 2019.