

Disciplinary and Other FINRA Actions

Firms Fined

Stifel, Nicolaus & Company, Incorporated (CRD® #793, St. Louis, Missouri)
September 1, 2020 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured and fined \$40,000. No supervisory undertaking is imposed in this AWC because the firm has updated its supervisory systems and Written Supervisory Procedures (WSPs) regarding the cited supervisory deficiencies. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it lacked a supervisory system, including WSPs, reasonably designed to detect and prevent the firm and its registered representatives from executing pre-arranged transactions. The findings stated that the firm did not have exception reports, trade alerts, or other supervisory mechanisms designed to enable its supervisors to identify potential pre-arranged transactions. Instead, the firm relied on its supervisors to detect and prevent such transactions as part of their daily review of thousands of transactions on trade blotters. Though the firm's automated reviews of its trade blotters flagged some types of prohibited transactions for supervisory review, they did not flag pre-arranged transactions. ([FINRA Case #2018057286802](#))

E*TRADE Securities LLC (CRD #29106, Jersey City, New Jersey)
September 2, 2020 – An AWC was issued in which the firm was censured and fined \$2,250,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it submitted blue sheet responses to FINRA and the Securities and Exchange Commission (SEC) that inaccurately reported information concerning trades. The findings stated that certain of the firm's blue sheet responses incorrectly identified the exchanges on which certain options trades were executed because of a coding error. As a result of this error, the firm incorrectly identified the exchange locations for options trades in blue sheet responses to FINRA and the SEC. In addition, the firm's blue sheets incorrectly identified options trades executed on an agency basis as equities trades executed on an agency basis. As a result of this error, the firm incorrectly identified options trades as equity trades on blue sheet responses to FINRA and the SEC. Furthermore, the firm reported incorrect execution times for options and equities trades on blue sheet responses to FINRA and the SEC. These errors occurred because the firm compressed trades in its blue sheet submissions, consolidating multiple trades that were part of the same order for the same account number on the same day with the same price into a single aggregate trade at a single time. ([FINRA Case #2015047010401](#))

Reported for November 2020

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).

Citadel Securities LLC ([CRD #116797](#), Chicago, Illinois)

September 3, 2020 – 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 demonstrate eligibility of the Securities Exchange Act of 1934 Rule 15c2-11(f)(2) exception by making a contemporaneous record of information in connection with quotations. The findings stated that the firm required its broker-dealer clients to affirm on a blanket or order-by-order basis that relevant orders sent to it were unsolicited in order to comply with the exception. To affirm on a blanket basis, the firm required each broker-dealer client to execute an unsolicited order letter, kept on file, in which the client represented it would only send unsolicited orders to the firm. Broker-dealer clients that did not execute unsolicited order letters could affirm that orders sent to the firm were unsolicited on an order-by-order basis. The firm’s original client gateway identified certain orders as exceptions where a broker-dealer client did not have an unsolicited order letter and the broker-dealer client populated the solicited flag with a “Y” or left it blank. The original client gateway’s controls prohibited the firm from automatically displaying the orders, flagged the orders as exceptions and required a manual review to ensure they were unsolicited, which was documented on an unsolicited order confirmation log. As a result of an inadvertent logic change, the firm’s new client gateway did not identify as exceptions where a broker-dealer client did not have an unsolicited order letter and the client left the solicited flag field blank. Therefore, the new client gateway treated certain orders as unsolicited and eligible for display. Additionally, in connection with one quotation, the firm’s broker-dealer client cancelled the order prior to the entry of the quote. In connection with another quotation, the firm’s broker-dealer customer’s order was an unsolicited sell order of 1,000 shares, but the posted quotation was for 3,410 shares. The firm, therefore, did not have unsolicited customer orders, either in hand or for the full amount of the quotation, when it published the quotations. The findings also stated that the firm failed to establish and maintain a system to supervise, including WSPs, reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules. The process utilized by the firm to achieve compliance with the relevant rules was flawed because it did not flag as exceptions orders with blank solicited flags. The WSPs did not provide any description as to what the actual supervisory review entailed or any steps to be taken by the designated individual to achieve compliance with FINRA Rule 6432. ([FINRA Case #2017053653101](#))

State Street Global Markets, LLC ([CRD #285852](#), Boston, Massachusetts)

September 3, 2020 – An AWC was issued in which the firm was censured and fined \$75,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that while it disclosed generally that it had payment for order flow arrangements with multiple venues to which it routed non-directed orders for execution, it failed to report the material aspects of those relationships. The findings stated that the firm failed to report the payment amounts per share or per order that it

received from the venues identified in its quarterly reports published pursuant to SEC Rule 606 promulgated under the Securities Exchange Act of 1934. The firm believed, incorrectly, that Rule 606 did not require disclosure on a per share or per order basis of payments received. The findings also stated that the firm's supervisory system, including its WSPs, was not reasonably designed to achieve compliance with Rule 606. The supervisory system lacked any procedures, written or otherwise, that required a review of the accuracy or completeness of the information provided in its quarterly Rule 606 reports, including a review of its payment-for-order-flow disclosures. As such, the firm's supervisory system was not reasonably designed to review for the material aspects as required. The firm has since updated its WSPs related to compliance with Rule 606. ([FINRA Case #2016048614401](#))

Janney Montgomery Scott LLC ([CRD #463](#), Philadelphia, Pennsylvania)

September 8, 2020 – An AWC was issued in which the firm was censured, fined \$90,000 and required to revise its WSPs with respect to Order Audit Trail System (OATS™) compliance. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it submitted inaccurate or incomplete Reportable Order Events (ROEs) to OATS. The findings stated that the firm transmitted desk reports that contained an inaccurate desk type code and new order type events that failed to report an information barrier ID. The firm submitted desk reports coding its equity retail orders with a desk type code that indicated its trading desk received the relevant orders for execution. However, since all of the orders were sent through the firm's agency desk and routed to other market destinations for execution, the firm should have used the desk type code for agency when reporting these orders to OATS. The findings also stated that the firm failed to reasonably supervise for compliance with its OATS reporting requirements. The firm failed to have a reasonably designed system in place to ensure that it was accurately reporting its OATS data. The firm's WSPs did not require a review of the OATS data submissions to assess the accuracy of the desk type code and information barrier IDs. Although the firm updated its WSPs to include a quarterly OATS review to check the accuracy of its data, the revised WSPs failed to provide reasonable guidance on how the review should be done, including which OATS reporting fields should be checked, how often each data field should be checked, or how the fields should be checked for accuracy. In addition, the firm failed to reasonably respond to the OATS reporting deficiencies identified by FINRA. FINRA initially alerted the firm to the desk type code reporting issue. After a number of discussions between the firm, its order submitting organization and FINRA, the firm remediated this issue. Similarly, FINRA notified the firm about the information barrier issue. However, the firm again failed to remediate the issue for all its order flows and order submitting organizations until nearly a year and a half after FINRA alerted it to the issue. ([FINRA Case #2017054220101](#))

SeedChange Execution Services Inc. ([CRD #165587](#), San Francisco, California)

September 8, 2020 – An AWC was issued in which the firm was censured and fined \$15,000. 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, for the evaluation of whether its registered persons' proposed outside business activities constituted outside securities activities. The findings stated that a registered person associated with the firm completed an outside business activity form, disclosing his involvement with a digital assets investment fund as a portfolio manager and an active owner of the fund's general partner. The firm approved the outside business activity and the registered person raised at least \$525,000 for the investment fund from accredited investors, none of whom were firm customers. As part owner of the fund's general partner, the registered person was entitled to and received a management fee for his work with the fund. The firm had no written procedures to evaluate the factors enumerated in FINRA Rule 3270.01 and to determine if restrictions should be placed on an outside business activity or whether to prohibit the activity. Despite knowing that the registered person's outside business activity was investment-related, the firm failed to evaluate whether the registered person's proposed activities would interfere with or otherwise compromise his responsibilities to the firm or its customers or be viewed by customers or the public as part of the firm's business. The firm also failed to evaluate whether the registered person's involvement with the fund should be restricted or prohibited, whether it was characterized properly as an outside business activity, or whether it should have been treated as outside securities activity. ([FINRA Case #2018058617701](#))

INTL FCStone Financial Inc. nka StoneX Financial Inc. ([CRD #45993](#), Winter Park, Florida)

September 10, 2020 – An AWC was issued in which the firm was censured, fined \$375,000 and required to establish and implement policies, procedures and internal controls reasonably designed to address and remediate the issues identified in this AWC. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that its supervisory system was not reasonably designed to detect red flags associated with trading or otherwise assess whether its customers were engaged in unlawful trading activity, such as manipulation of microcap securities and/or the sale of unregistered securities. The findings stated that the firm liquidated low-priced securities for two foreign financial institutions. Some of this trading raised red flags of potential misconduct by the customers engaged in the trading. The firm's WSPs did not address manipulation of low-priced securities, did not address the sale of unregistered securities in possible contravention of Section 5 of the Securities Act of 1933 and did not specify how low-priced security trading was to be reviewed, or how any exception reports would be reviewed or applied. The firm's anti-money laundering (AML) program also failed to reasonably address the risks associated with low-priced securities liquidations for purposes of its obligation to investigate and/or report suspicious activity. After the liquidation of low-priced securities for the two foreign financial institutions was brought to its attention,

the firm took corrective actions. The findings also stated that the firm's AML program for its newly-acquired clearing business had certain deficiencies in how it tracked (or failed to track) automated clearing house (ACH) transfers, foreign accounts that had common addresses and customers that had previously been blocked by its direct business. The firm failed to include ACH transactions for its customers into its system monitoring for suspicious activity, defined in its applicable AML procedures as patterns of unusual size, volume, or type of transactions. In addition, the firm's system was not initially configured to detect common addresses for its foreign brokerage customers, although it was so configured for domestic accounts, for purposes of risk scoring. Furthermore, the firm's direct brokerage and securities clearing businesses maintained separate systems which identified accounts closed for engaging in potentially suspicious transactions. The firm did not cross-reference accounts on its two internal systems until the issue was brought to its attention during a FINRA exam. ([FINRA Case #2017053820401](#))

ViewTrade Securities, Inc. ([CRD #46987](#), Boca Raton, Florida)

September 10, 2020 – An AWC was issued in which the firm was censured and fined \$25,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it sold returned shares at the initial public offering (IPO) price to certain investors who did not have unfilled orders as required. The findings stated that an issuer engaged the firm as lead placement agent in connection with the IPO. The offering satisfied both the share and listing contingencies and the transaction closed. After the closing, the firm realized that the offering exceeded the maximum share cap and began contacting investors to reduce the number of shares allocated to them. Subsequently, 17 investors agreed to reduce their subscription amounts. After secondary trading had begun, shares were returned to the firm as a result of trade cancellations and other returns. Instead of offering those shares to the investors with unfilled orders pursuant to a random allocation methodology as required, the firm sold the shares to two other investors. As a result, the two investors received an instant profit of \$30,428.75. The findings also stated that the firm failed to provide the required trade confirmations to any of the investors who purchased shares in the best-efforts offering. ([FINRA Case #2016051318601](#))

Griffiness Asia Securities, LLC ([CRD #132187](#), Pasadena, California)

September 17, 2020 – An AWC was issued in which the firm was censured, fined \$35,000, ordered to pay \$86,185.65, plus interest, in restitution to customers and ordered to pay disgorgement of commissions and fees in the amount of \$2,982.84, plus interest. 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 and WSPs reasonably designed to ensure that sales of Non-Traditional Exchange Traded Products (ETPs) complied with applicable securities laws and regulations and FINRA rules. The findings stated that the firm failed to have a supervisory system and WSPs reasonably designed to ensure that trading in Non-Traditional ETPs was suitable for its retail customers. The firm's supervisory system and WSPs also failed to address monitoring for

risks particular to Non-Traditional ETPs, such as the risk posed by long-term holding of a product that resets daily. Although the firm's system and WSPs required supervisors to conduct suitability reviews of products at the time of purchase, the firm failed to establish any system or procedures addressing how supervisors should ensure the suitability of Non-Traditional ETP recommendations made to retail customers given the unique features and risks of these products. Similarly, the firm's system and procedures failed to address holding periods for Non-Traditional ETPs, nor did it have alerts or exception reports to monitor holding periods. Moreover, the firm failed to provide any formal training regarding Non-Traditional ETPs to its registered representatives prior to permitting them to sell Non-Traditional ETPs to retail customers. The firm further failed to provide training to its principals prior to having them conduct supervisory reviews and approvals of transactions in Non-Traditional ETPs. ([FINRA Case #2019062326101](#))

FIS Brokerage & Securities Services LLC ([CRD #104162](#), Geneva, Illinois)

September 29, 2020 – An AWC was issued in which the firm was censured and fined \$48,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that the supervisory system and pre-trade risk management controls it maintained were not reasonably designed to prevent the entry of erroneous orders. The findings stated that the firm applied both general and customer-specific pre-trade erroneous order controls to its order flow. However, the parameters of both the firm's general controls and customer-specific controls were too wide to be reasonably effective in detecting potentially erroneous orders, thus blocking them from being routed to an exchange. Among the pre-trade controls maintained by the firm that were common to all of its customers and designed to take into account the individual characteristics of a security was an average daily volume check, which rejected market orders that exceeded a defined percentage of a security's average daily volume. Another pre-trade control maintained by the firm that was common to all of its customers was a price deviation check. This control rejected limit orders greater than a certain percentage away from a security's National Best Bid or Offer (NBBO). Additionally, the firm applied several controls to each customer's order flow: a credit limit; single order size; single order notional value; and order entry rate. The thresholds of these controls were based on a customer's historical trading activity and were revised quarterly. Although the firm reduced the multiplier for buying power, the maximum order shares and the maximum order notional value for onboarding new clients, these controls were not reasonably designed to prevent erroneous order entry. Although the firm regularly reviewed its system of pre-trade controls for those accounts and tightened its order handling controls and procedures on multiple occasions, these limits were not reasonably designed to prevent firm customers from placing orders that greatly exceeded their historical trading patterns, and therefore were not reasonably designed to prevent erroneous order entry. ([FINRA Case #2016049884201](#))

Firms Sanctioned

Capital City Securities, LLC ([CRD #146001](#), Powell, Ohio)

September 23, 2020 – An AWC was issued in which the firm was censured and ordered to pay \$53,174.51 in restitution to customers. In light of the firm’s financial status, no fine or pre-judgment interest on the restitution amount has been imposed. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system and failed to establish, maintain and enforce WSPs, that were reasonably designed to achieve compliance with FINRA’s suitability rules. The findings stated that the firm used a third-party automated trade surveillance application to supervise and review registered representative trading recommendations and strategies yet did not re-configure, modify, or alter that surveillance tool to monitor unique trading strategies like that of one representative at the firm. Although the firm’s supervisory system required a quarterly review of discretionary accounts to specifically focus on detecting and preventing excessive trading, it failed to provide any guidance to supervisory staff regarding how to conduct such a review. Moreover, the firm’s system did not provide any supervisory tools designed to alert for excessive trading, commissions or cost over any period beyond a single day on a per-trade basis, and there was no reasonable method for firm supervisors to aggregate commissions and costs over time. With respect to the representative, the firm bifurcated responsibility for supervising his equity and options recommendations by product, even where those recommendations impacted the same customer account as part of a singular, active trading strategy. As a result, individual supervisors were unable to identify patterns and evaluate the trading strategy employed by the representative, who effected quantitatively unsuitable transactions in customer accounts over which he had discretionary trading authority. The findings also stated that the firm failed to document and supervise reasonable due diligence in a private placement. A second firm representative recommended and sold a Regulation D offering to a qualified institutional buyer. However, the firm failed to document any process or results of a reasonable investigation into the issuer of the preferred stock shares, meetings, tasks performed and documents and information reviewed as described by FINRA Regulatory Notice 10-22 as required by the firm’s written procedures. The findings also included that the firm failed to preserve and maintain the second representative’s business-related electronic communications conducted through his personal email address. The firm was aware that the second representative was using a personal email account for business-related communications even after he was provided with a firm email account, as he forwarded certain messages from his personal email account to firm principals. ([FINRA Case #2015048347902](#))

Tripoint Global Equities/Banq(R) ([CRD #143174](#), New York, New York)

September 24, 2020 – An Offer of Settlement was issued in which the firm was censured. No monetary sanction was imposed after considering that the firm had filed a bankruptcy petition. Without admitting or denying the findings, the firm consented to the sanction and to the entry of findings that it and its chief executive officer (CEO) recommended and sold participation interests in private placements (the offerings) to their customers, without having a reasonable basis to believe that their recommendations were suitable for at least some investors. The findings stated that the firm and its CEO did not have a reasonable basis to recommend these investments because they failed to conduct reasonable diligence on the offerings, the issuers of these investments, both of which purported to be in the business of purchasing and re-selling tickets to live concerts and theater events, and two principals who formed and managed the issuers. The firm and its CEO also failed to reasonably investigate and follow-up on red flags that called into question the viability of the issuers' business prospects and the principals' ability to operate and manage a profitable ticketing resale business. The firm raised approximately \$16.2 million from investors through the offerings, and it earned \$487,650 in fees from these solicited transactions. The firm's customers ultimately lost millions of dollars from investing in these offerings when it was later discovered that the principals used the issuers to conduct a Ponzi scheme. The findings also stated that the firm and its CEO failed to reasonably supervise the offerings to ensure compliance with FINRA Rule 2111. The firm and its CEO's supervision of these offerings was not reasonable because they failed to enforce the firm's WSPs with respect to private placement due diligence and they failed to investigate and follow-up on red flags that could have alerted them to the potential misconduct. Neither the CEO nor anyone else at the firm reasonably investigated the offerings before they recommended them to potential investors, including firm customers. The firm and the CEO did not, among other things, request financial records from the issuers or principals, request financial models or projections to determine how the issuers and investors would profit from these investments, or make reasonable inquiries about the ticketing re-selling business to understand the issuers' business prospects. The red flags included one of the principal's prior failed concert series, liens and refusal to provide the CEO with information about the ticket brokers supposedly re-selling the tickets for the issuers. ([FINRA Case #2017053409201](#))

Individuals Barred

Ronald G. Richer ([CRD #2988381](#), New York, New York)

September 1, 2020 – An Offer of Settlement was issued in which Richer was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Richer consented to the sanction and to the entry of findings that he borrowed \$15,000 from a senior customer without providing prior notice to, and receiving written approval from, his member firm. The findings stated that the loan did not fall within any

of the limited circumstances excusing representatives from obtaining advance written approval from the firm's chief compliance officer. The findings also stated that Richer provided altered and fabricated documents to FINRA in connection with its investigation into the loan. Specifically, Richer altered check images on statements for a checking account prior to providing them to FINRA in order to disguise his loan repayments to the customer. The findings also included that Richer provided false on-the-record testimony to FINRA by testifying that he did not alter his bank account statements prior to producing them. Richer also falsely testified that he had never accepted any payments or items of value from a customer who was not a member of his family. FINRA found that Richer falsely stated on the firm's annual compliance questionnaires that he had not borrowed money from the customer. Richer knowingly provided false answers in order to hide the existence of the loan from his firm. ([FINRA Case #2019062014501](#))

Peter Vincent Ianace ([CRD #3238078](#), Frisco, Texas)

September 3, 2020 – An AWC was issued in which Ianace was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Ianace consented to the sanction and to the entry of findings that he refused to provide information and documents requested by FINRA in connection with its investigation into his potential failure to disclose outside business activities to his firm. The findings stated that although Ianace initially cooperated with FINRA's investigation, he ceased doing so. ([FINRA Case #2020065477101](#))

Alonzo Cruz Castillo ([CRD #7207820](#), Chicago, Illinois)

September 14, 2020 – An AWC was issued in which Castillo was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Castillo consented to the sanction and to the entry of findings that he misrepresented to his member firm in writing the results of a FINRA Series 6 exam. The findings stated that Castillo created a modified version of his official score report for the exam, which he altered to represent that he had passed. That same day, Castillo provided this falsified score report to his manager. ([FINRA Case #2020066435801](#))

Matthew O. Clason ([CRD #4692266](#), Cheshire, Connecticut)

September 17, 2020 – An AWC was issued in which Clason was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Clason consented to the sanction and to the entry of findings that he refused to provide documents and information requested by FINRA in connection with its investigation into the allegations that formed the basis of his termination reported on a Uniform Termination Notice for Securities Industry Registration (Form U5) submitted by his member firm. The findings stated that the firm filed the Form U5 terminating Clason's registration because he maintained a joint bank account with a firm customer, engaged in liquidations of securities in the customer's firm account, transferred funds to a joint bank account, and withdrew funds. ([FINRA Case #2020067686301](#))

Roger Allan Duval ([CRD #2503718](#), Liberty Lake, Washington)

September 18, 2020 – An AWC was issued in which Duval was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Duval consented to the sanction and to the entry of findings that he converted approximately \$130,000 from elderly customers for his own personal use. The findings stated that Duval convinced the elderly customers to establish and maintain brokerage accounts at a member firm, away from his employer member firms. Duval used the customers' login credentials to access the accounts and wrote himself checks totaling approximately \$130,000 without their knowledge or authorization. Duval deposited the checks into his personal checking account and then transferred some of the funds into his personal brokerage account. ([FINRA Case #2019062789901](#))

Neil James Buono ([CRD #6768349](#), Tampa, Florida)

September 21, 2020 – An AWC was issued in which Buono was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Buono consented to the sanction and to the entry of findings that he refused to appear and provide on-the-record testimony requested by FINRA in connection with its investigation into whether he forged customer signatures on variable annuity applications and submitted them to his member firm for processing without his customers' knowledge or consent. ([FINRA Case #2018060180102](#))

Christ Elias Baltas ([CRD #2570499](#), Hicksville, New York)

September 22, 2020 – An AWC was issued in which Baltas was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Baltas 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 involving his supervision of a registered representative's potentially unsuitable trading recommendations. ([FINRA Case #2018057883101](#))

Tony A. Kassaei ([CRD #4375259](#), Irvine, California)

September 22, 2020 – An AWC was issued in which Kassaei was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Kassaei consented to the sanction and to the entry of findings that he participated in undisclosed and unapproved private securities transactions through which individuals, most of whom were customers of his member firm, invested at least \$2.6 million in real-estate businesses. The findings stated that the owner of the real-estate businesses had previously worked with Kassaei at the firm. The securities transactions were not recorded on the firm's books and records and Kassaei acted outside the regular course and scope of his employment with the firm when participating in the securities transactions. Subsequently, the owner pled guilty to wire fraud, admitting that he had engaged in a real-estate Ponzi scheme that caused approximately \$12 million in investor losses. The individuals in whose investments Kassaei participated lost at least \$1.3 million. One of

these individuals was an elderly woman who lost over half of her life savings. The owner paid Kassaei substantial sums, including at least \$125,000 while he facilitated securities transactions between the owner and these individuals. In addition, in response to a specific inquiry by the firm, Kassaei falsely represented that he had not participated in a customer's private securities transactions totaling \$500,000. The findings also stated that Kassaei refused substantially to comply with FINRA's request to provide on-the-record testimony, documents and information. FINRA had opened an investigation of Kassaei's involvement in the owner's scheme. While Kassaei initially appeared for testimony, he ultimately refused to answer FINRA's questions, left the testimony and did not reappear to finish answering the questions. Moreover, FINRA requested that Kassaei produce emails from an account that he had used to facilitate private securities transactions with the owner. Kassaei initially granted FINRA access to the account to obtain the requested emails, but then terminated its access to the account before FINRA had obtained the requested emails and deleted emails in the account. ([FINRA Case #2018058547502](#))

Alec C. Franks ([CRD #5797052](#), Staten Island, New York)

September 25, 2020 – An AWC was issued in which Franks was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Franks consented to the sanction and to the entry of findings that he refused to produce information or documents requested by FINRA in connection with its investigation into allegations that he had engaged in outside business activities and excessive trading activity in customer accounts. The findings stated that although Franks initially cooperated with FINRA's investigation, he ceased doing so. ([FINRA Case #2019063601701](#))

Cynthia Kay Parrott Cooney ([CRD #2059467](#), Saint Louis, Missouri)

September 29, 2020 – An AWC was issued in which Cooney was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Cooney consented to the sanction and to the entry of findings that she refused to appear for on-the-record testimony requested by FINRA or to otherwise cooperate with its investigation. ([FINRA Case #2019064690301](#))

Robert Barnard ([CRD #5504882](#), Las Cruces, New Mexico)

September 30, 2020 – An AWC was issued in which Barnard was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Barnard 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 allegations referenced in Form U5s filed by his member firm. The findings stated that Barnard's firm filed a Form U5 reporting that it had discharged him after it found evidence that he had inappropriate personal financial dealings with clients. Subsequently, the firm amended his Form U5 disclosing an arbitration filed by an investor against the firm that alleged that as an employee of the firm, Barnard sold the customer outside investments and borrowed money from her and her late husband. ([FINRA Case #2018059643701](#))

Individuals Suspended

Michael Rubel ([CRD #4935564](#), Long Beach, New Jersey)

September 1, 2020 – An AWC was issued in which Rubel was suspended from association with any FINRA member in all capacities for 45 days. In light of Rubel’s financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Rubel consented to the sanction and to the entry of findings that he engaged in an unsuitable pattern of short-term trading of unit investment trusts (UITs) in customer accounts. The findings stated that Rubel recommended that certain of his customers roll over UITs more than 100 days prior to maturity. Indeed, although his customers’ UITs typically had a 24-month maturity period, Rubel recommended that they sell their UITs after holding them for, on average, only 244 days and in some instances use the proceeds to purchase a new UIT. Some of the early rollovers recommended by Rubel were series-to-series rollovers. In other words, Rubel recommended that his customers roll over a UIT before its maturity date in order to purchase a subsequent series of the same UIT, which generally had the same or similar investment objectives and strategies as the prior series. Rubel’s recommendations caused his customers to incur unnecessary sales charges and were unsuitable in view of the frequency and cost of the transactions. The customers received reimbursement of these excess sales charges from Rubel’s member firm in connection with FINRA’s separate settlement with the firm.

The suspension is in effect from October 5, 2020, through November 18, 2020. ([FINRA Case #2017052215402](#))

Chih-Ming Huang ([CRD #4550102](#), Rowland Heights, California)

September 3, 2020 – An AWC was issued in which Huang was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Huang consented to the sanctions and to the entry of findings that he willfully failed to disclose on his Uniform Application for Securities Industry Registration or Transfer form (Form U4) five felony charges and a misdemeanor theft charge. The findings stated that Huang was charged with the felonies and misdemeanor for misappropriating \$13,792 from insurance customers. Huang pled nolo contendere to the charge of misdemeanor theft and the felony charges were dropped. Huang never amended his Form U4 to disclose his nolo contendere plea to the misdemeanor theft charge. In addition, Huang falsely certified on his member firm’s annual compliance questionnaire that he had not been charged with or pled no contest to any felony or misdemeanor involving fraud or wrongful taking of property.

The suspension is in effect from September 8, 2020, through March 7, 2021 ([FINRA Case #2019063227101](#))

John Rosas Jaramillo (CRD #2659263, Los Angeles, California)

September 3, 2020 – An AWC was issued in which Jaramillo was assessed a deferred fine of \$5,000, suspended from association with any FINRA member in all capacities for five months and ordered to pay \$3,770.83, plus interest, in deferred disgorgement of commissions received. The amount of disgorgement is reduced by the payments Jaramillo made to a liquidation trustee for a liquidation trust. Without admitting or denying the findings, Jaramillo consented to the sanctions and to the entry of findings that he participated in unapproved private securities transactions related to a purported real-estate investment fund involving the sale of promissory notes totaling \$250,000 to investors, two of whom were customers of his member firm. The findings stated that Jaramillo received \$8,770.83 in commissions in connection with these transactions. Jaramillo never sought or received approval from his firm to sell the promissory notes. In addition, Jaramillo failed to make any disclosure of the fund to the firm in response to a firm questionnaire. On the questionnaire, Jaramillo denied engaging in any private securities transactions outside the regular course or scope of his employment with the firm. The findings also stated that the fund filed a voluntary Chapter 11 bankruptcy petition. The United States District Court for the Southern District of Florida issued final judgments against, among others, the fund and its former owner. Those judgments required the fund and its owner to, among other things, disgorge their ill-gotten gains and also required the owner to pay a civil penalty.

The suspension is in effect from September 8, 2020, through February 7, 2021. ([FINRA Case #2020065898801](#))

Kimberley Ann Schkade-Hill (CRD #4550820, Austin, Texas)

September 3, 2020 – An AWC was issued in which Schkade-Hill was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in all capacities for four months, and required to complete ten hours of continuing education on the topics of compliance obligations and recordkeeping for registered representatives. Without admitting or denying the findings, Schkade-Hill consented to the sanctions and to the entry of findings that she caused customers to sign blank or incomplete account forms intended to process account openings and transfers, which were later filled in by a registered sales assistant at her member firm. The findings stated that Schkade-Hill associated with the firm and, upon her association, the firm began transitioning her customers' accounts from her prior firm. In order to facilitate these account transfers, Schkade-Hill met with clients to obtain relevant information, but rather than filling in that information on account forms, she recorded information for each client on one or more customer profile documents. During these client meetings, Schkade-Hill asked her clients to sign blank account forms, which she would sign while blank as well. After Schkade-Hill met with the customers, a registered sales assistant at the firm would enter all of the information from the profiles into the firm's electronic record system and used the data to fill in the blanks on the pre-signed account forms. Schkade-Hill did not review the completed documents, nor did she provide them to her customers to review. Schkade-Hill's practice of asking her customers

to sign blank forms also caused the firm to maintain inaccurate books and records. The findings also stated that Schkade-Hill mismarked customer orders as unsolicited when they were, in fact, solicited. In instances where a customer sought to invest new or additional funds, Schkade-Hill would mark orders as unsolicited if she recommended that the customer invest those new or additional funds into securities that they already held in their accounts. Schkade-Hill caused the firm to make and maintain inaccurate books and records by mismarking the transactions.

The suspension is in effect from September 7, 2020, through January 6, 2021. ([FINRA Case #2019062369702](#))

Christina Jane Shepard ([CRD #3025892](#), Montague, Michigan)

September 3, 2020 – An AWC was issued in which Shepard 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, Shepard consented to the sanctions and to the entry of findings that while serving as a sales assistant to another registered representative, she filled in blank information on forms that had been previously signed and dated by customers and then processed them. The findings stated that the representative Shepard assisted frequently requested customers to sign and date blank account forms. Shepard later filled in blanks on these pre-signed account forms, including adding information about the customers' investment objectives, net worth, investing history, and other background information, before processing the forms. Shepard also cut and pasted a customer's signature onto a new set of account transfer forms after discovering an error on the previously signed blank set of forms without obtaining authorization from the customer or obtaining an updated signature. In addition, some forms became outdated as a result of delays in the filling out and processing of the documents that customers had signed and dated in blank. Instead of requesting that customers sign and date new forms, Shepard altered and falsified the dates on the forms. The findings also stated that Shepard caused her firm to maintain inaccurate books and records by filing in blank information and altering previously signed customer documents.

The suspension is in effect from September 7, 2020, through December 6, 2020. ([FINRA Case #2019062369701](#))

Harry Seth Datys ([CRD #1877750](#), Warwick, New York)

September 8, 2020 – An AWC was issued in which Datys was assessed a deferred fine of \$20,000 and suspended from association with any FINRA member in all capacities for 15 months. Without admitting or denying the findings, Datys consented to the sanctions and to the entry of findings that he offered and sold promissory notes issued by his member firm's parent company to customers without a reasonable basis to recommend the notes. The findings stated that Datys raised a total of \$2,713,200 and obtained commissions of \$183,000. Datys did not perform a reasonable review of the offering documents that

he received from the firm's CEO, including the subscription agreement and financial statements that contained red flags about the parent company's ability to repay the notes. Datys failed to investigate the current status of a \$1 million line of credit that the parent company had with a bank. Therefore, Datys did not learn that the parent company defaulted on the line of credit, that it had entered into successive forbearance agreements with the bank, that it defaulted on each agreement, and that the bank filed suit against the company and its CEO. In addition, Datys did not conduct reasonable due diligence on the offerings and failed to understand the risks they presented. Datys did not perform a reasonable review of information about the parent company's financial condition or operations. Datys also did not discuss the company's financial condition or its prospects for future performance with the personnel of the company or the firm, including the individual who served as the CEO for both entities. The findings also stated that Datys acted in contravention of Section 17(a)(2) and (3) of the Securities Act of 1933 by making negligent misrepresentations and omissions of material information in connection with the sale of the offerings. While soliciting investments, Datys negligently claimed that noteholders were entitled to share in pro-rata distributions of equity and profits from the firm, which had higher profits and greater equity-producing opportunities than the parent company, the actual issuer and source of profits and equity for the noteholders. Datys negligently misrepresented that noteholders would receive stock or warrants for every deal in which the firm participated, including the firm's private placements and IPOs. In addition, Datys negligently failed to disclose conflicts of interest that presented risks. Furthermore, to solicit investments, Datys emailed customers a false historical analysis that he obtained from the firm and parent company's CEO and negligently misrepresented that it showed investors what they could expect as a return on the notes, without disclosing that the information it contained was hypothetical, rather than historical. Datys did not request or obtain information about the basis for the assertions in the historical analysis. Datys also negligently provided investors with offering documents he received from the CEO that contained material misrepresentations and omitted material adverse facts. Neither Datys nor the offering documents disclosed the company's default on the line of credit, its defaults on successive forbearance agreements with the bank, or the bank's suit against the company and its CEO. Datys and the offering documents also did not disclose that the company had approximately \$1.7 million in liabilities in addition to the line of credit, and that these additional liabilities included approximately \$600,000 owed to prior noteholders who had not been repaid their principal and a \$400,000 outstanding loan from the parent company's CEO. Shortly after they invested, several noteholders inquired about the status of their investments because they had not received the equity they expected from the firm's deals. In his responses, Datys negligently did not disclose that the noteholders were not entitled to any equity from the firm and that the notes only entitled the noteholders to equity from the parent company. Rather, Datys continued to tell noteholders that equity from the firm would be forthcoming.

The suspension is in effect from September 8, 2020, through December 7, 2021. ([FINRA Case #2017054381601](#))

David Christopher Davis ([CRD #2957397](#), Lubbock, Texas)

September 9, 2020 – An AWC was issued in which Davis was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Davis consented to the sanctions and to the entry of findings that he electronically affixed customer signatures on insurance policy applications. The findings stated that the WSPs of Davis' member firm required a customer's authentic signature on firm documents, even when using the firm's approved e-signature process. The WSPs also expressly prohibited forgery and registered representatives duplicating customer signatures from other documents or signing customer names or initials, even at the customer's instructions. Although Davis was aware of the firm's WSPs, he electronically affixed the signatures of one firm customer and two insurance customers to whole life insurance policy applications he submitted on their behalf. The findings also stated that Davis willfully failed to disclose federal tax liens totaling approximately \$184,000 via the timely filing of an amended Form U4. Davis received notice of the IRS tax liens on the days they were filed. Although Davis was required to disclose the liens via the filing of an amended Form U4 within thirty days of receiving notice of their existence, Davis did not disclose them to the firm or via an amended Form U4 until approximately one year and four months after one lien was filed and six months after the other lien was filed. In addition, Davis falsely attested on firm annual compliance questionnaires that his Form U4 was updated to reflect all liens.

The suspension is in effect from September 21, 2020, through March 20, 2021. ([FINRA Case #2019064032101](#))

Patrick Joseph Knox ([CRD #1206837](#), Doylestown, Pennsylvania)

September 9, 2020 – An AWC was issued in which Knox was fined \$2,500 and suspended from association with any FINRA member in all capacities for ten business days. Without admitting or denying the findings, Knox consented to the sanctions and to the entry of findings that he caused his former member firm to violate the SEC's Regulation S-P: Privacy of Consumer Financial Information and Safeguarding Personal Information (Regulation S-P) by taking non-public personal customer information from the firm and giving it to his new member firm, without the knowledge or consent of his former firm or the customers. The findings stated that while he was still registered through an association with his former firm, and in anticipation of moving to the new firm, Knox printed his customer list and gave it to the new firm. This list included non-public personal information for customers, including, among other information, social security numbers and birth dates.

The suspension was in effect from October 5, 2020, through October 16, 2020. ([FINRA Case #2019062346201](#))

Jodie Lane ([CRD #5069112](#), Greendale, Wisconsin)

September 9, 2020 – An AWC was issued in which Lane was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Lane consented to the sanctions and to the entry of findings that she circumvented her member firm's WSPs that prohibited brokers from engaging in certain relationships with customers and accepting gifts, in connection with her customer, who was her second cousin once removed. The findings stated that the customer granted Lane powers of attorney (POA) over the customer's financial affairs: a health care POA, a general financial POA and a POA over the customer's outside checking account, which included the power to withdraw funds from, and write checks on, the checking account. When the firm hired Lane, she did not inform it of the POAs, or that she had check writing authority over the customer's bank accounts as was required. Lane requested guidance from the firm as to disclosure and approval of these designations and was directed to submit an outside business activity form. Lane submitted the form but omitted the true nature of her authority. In addition, contrary to the firm's prohibition on receiving gifts, Lane accepted \$154,299 in gifts from the customer by transferring the funds from the customer's checking account to her accounts. The customer also designated Lane the transfer on death beneficiary for two of the customer's brokerage accounts. At the time, the total value of the accounts was approximately \$768,000. Lane was aware of the designation but did not notify the firm as required by its procedures and did not designate the accounts as employee-related. When the customer died, Lane inherited more than \$715,000. The findings also stated that Lane falsely stated in annual compliance questionnaires that she did not have any customer relationships such as a POA to report and she had not received gifts valued at over \$100 dollars from a customer.

The suspension is in effect from September 21, 2020, through January 20, 2021. ([FINRA Case #2017056100101](#))

Lori Ann Sacco ([CRD #5527270](#), Wauwatosa, Wisconsin)

September 9, 2020 – An AWC was issued in which Sacco was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Sacco consented to the sanctions and to the entry of findings that she falsified customer account documents, without the customers' prior knowledge or consent, by forging and cutting and pasting the customers' signatures or initials on the documents that she then submitted to her member firm for processing as if they had been properly executed. The findings stated that these firm documents included new account applications, ACH authorization forms, transaction acknowledgement forms, an inter-brokerage account transfer form and a letter submitted to a court stating location of domicile. As a result of this conduct, Sacco created and submitted documents that purported to have actual customer signatures and initials affixed, when in fact they did not, and therefore forged and falsified the documents. The findings also stated that Sacco caused the firm to make and preserve inaccurate books and records as a result of this conduct.

The suspension is in effect from September 21, 2020, through March 20, 2021. ([FINRA Case #2018060494701](#))

Lauren L. Wing (CRD #5803987, Culver City, California)

September 10, 2020 – An AWC was issued in which Wing 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, Wing consented to the sanctions and to the entry of findings that she engaged in unauthorized trading by purchasing brokered certificates of deposit in a senior customer’s brokerage account totaling \$314,000 without first obtaining the customer’s authorization. The findings stated that shortly thereafter, the customer complained by email and Wing forwarded the communication to her managers. Wing’s member firm reversed the trades, reimbursed the \$135 trading loss, and terminated Wing.

The suspension was in effect from September 21, 2020, through October 20, 2020. ([FINRA Case #2019062245601](#))

David Leroy Johnson (CRD #3147633, Houston, Texas)

September 14, 2020 – An AWC was issued in which Johnson 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, Johnson consented to the sanctions and to the entry of findings that he falsified documents by creating and submitting documents that purported to have actual customer signatures affixed, when in fact they did not. The findings stated that Johnson reused signature pages from forms that had been previously signed by a customer, including account transfer forms, a new account application and fund transfer forms. Instead of having the customers sign new forms, Johnson attached a previously used signature of the customer to a new form that he then submitted to his member firm as an original for processing. The findings also stated that by falsifying signatures on these forms Johnson caused his firm to make and preserve inaccurate books and records.

The suspension is in effect from September 21, 2020, through December 20, 2020. ([FINRA Case #2018060527701](#))

Ferrell Lee Rollins Jr. (CRD #1449560, Rocky Mount, North Carolina)

September 14, 2020 – An AWC was issued in which Rollins was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Rollins consented to the sanctions and to the entry of findings that contrary to his member firm’s policies, he borrowed \$70,000 from an 89-year-old customer of his for a five-year term with an agreed amount of interest. The findings stated that Rollins did not document the loan or its terms in any written instrument. Rollins made monthly interest payments until stopping upon learning

that the customer had died. Later, a representative of the deceased customer complained to the firm after she discovered evidence of the loan in the customer's papers. The firm then repaid and settled with the customer's estate. The findings also stated that Rollins provided false answers in firm annual compliance questionnaires in which he was asked if he solicited or accepted a loan from a client for any reason.

The suspension is in effect from September 21, 2020, through March 20, 2021. ([FINRA Case #2019063901501](#))

Deborah Leah Beal (CRD #5585963, Romeoville, Illinois)

September 22, 2020 – An AWC was issued in which Beal was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Beal consented to the sanctions and to the entry of findings that she effected unauthorized transactions totaling \$704,379.80 in customer accounts at her member firm. The findings stated that Beal transferred all funds held by customers in bank-deposit sweep accounts to money-market mutual fund sweep accounts because the money-market mutual fund sweep accounts provided a higher rate of return. In addition, Beal did not possess discretionary authority over the customer accounts. On the same day she effected the transactions, Beal informed the registered representative to whom she reported that she had done so, and he subsequently notified the firm. Beal did not receive any compensation in connection with executing the transactions. The customers' accounts did not suffer any losses and the customers did not incur any fees in connection with the transactions.

The suspension is in effect from October 5, 2020, December 4, 2020. ([FINRA Case #2019063697901](#))

Xerxes Soli Mullan (CRD #4579996, New York, New York)

September 22, 2020 – An AWC was issued in which Mullan was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for two years. Without admitting or denying the findings, Mullan consented to the sanctions and to the entry of findings that he participated in private securities transactions involving approximately \$6 million in total sales without his member firm's knowledge or approval. The findings stated that Mullan disclosed his role at a registered investment advisor to the firm; however, he did not provide prior written notice to the firm of his participation in the securities offerings. Mullan did not receive any commissions from the sale of the securities. In addition, Mullan falsely certified on the firm's annual compliance questionnaires that he was not involved in any private securities transaction that had not been previously disclosed to the firm.

The suspension is in effect from October 5, 2020, through October 4, 2022. ([FINRA Case #2019062886901](#))

Harry Rosenberg (CRD #2682841, Monsey, New York)

September 22, 2020 – An AWC was issued in which Rosenberg was assessed a deferred fine of \$8,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Rosenberg consented to the sanctions and to the entry of findings that he failed to amend his Form U4 to disclose a civil litigation until after FINRA made inquiries about it. The findings stated that an investor, who was not a customer of Rosenberg’s member firm, filed a complaint in New York State court alleging Rosenberg and other defendants made fraudulent misstatements regarding the investor’s investments in a gold mining company. Subsequently, the investor entered into a settlement agreement that required the company to compensate the investor. Rosenberg was not required to compensate the investor and the litigation was dismissed. In addition, Rosenberg falsely responded to a question contained in the firm’s annual business questionnaire that asked, among other things, whether he had been the subject of any litigation.

The suspension is in effect from October 5, 2020, through December 4, 2020. ([FINRA Case #2019062271501](#))

Jay Howard Bluestine (CRD #2802396, Brooklyn, New York)

September 23, 2020 – An AWC was issued in which Bluestine 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, Bluestine consented to the sanctions and to the entry of findings that he accepted loans from a customer without seeking or obtaining approval from either of his member firms to borrow the money. The findings stated that while associated with the first firm, Bluestine accepted two loans totaling \$200,000 from the customer, who was a friend. Later, while associated with another firm, Bluestine accepted an additional \$100,001 loan from the same individual, who was then Bluestine’s customer at the second firm. The customer made each of the loans to Bluestine without documentation or an understanding as to the duration or interest rate of the loan. To date, Bluestine has repaid \$176,000 to the customer. In addition, Bluestine falsely stated that he had not borrowed money from any customer in a firm compliance questionnaire.

The suspension is in effect from October 5, 2020, through January 4, 2021. ([FINRA Case #2018060717701](#))

Shawna J. Loveland (CRD #5434702, Boise, Idaho)

September 23, 2020 – An AWC was issued in which Loveland was suspended from association with any FINRA member in all capacities for 19 months. In light of Loveland’s financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Loveland consented to the sanction and to the entry of findings that she caused her member firm to violate Regulation S-P by providing documents containing firm

customers' non-public personal information to non-affiliated third-party business centers in order for the business centers to provide printing and scanning services. The findings stated that the firm had not entered into a contractual agreement with either business center prohibiting the business centers from disclosing or using the information other than to carry out the purposes for which Loveland disclosed it. The findings also stated that Loveland transmitted communications relating to the firm's securities business via a personal email account that was not subject to the firm's archiving system. The findings also included that at her supervisor's direction, Loveland intentionally provided false and misleading information to FINRA in order to conceal that she had used her personal email account to transmit firm customer account documents to a personal email account belonging to her supervisor, at his direction. Loveland testified that her prior written response was false during her subsequent on-the-record testimony

The suspension is in effect from October 5, 2020, through May 4, 2022. ([FINRA Case #2019062898301](#))

Nina MacGinn Maines ([CRD #2496408](#), Baldwinsville, New York)

September 23, 2020 – An AWC was issued in which Maines was fined \$5,000 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Maines consented to the sanctions and to the entry of findings that she exercised discretion without written authorization in customer accounts. The findings stated that Maines effected these trades on the basis of communications with customers that occurred three or more days before she placed the trades. Although the customers knew that Maines was exercising discretion in their accounts, she did not have prior written authorization to do so from any of the customers and her member firm had not approved any of these accounts for discretionary trading.

The suspension was in effect from October 19, 2020, through November 6, 2020. ([FINRA Case #2019060749102](#))

John Dewey Church ([CRD #5186495](#), Rochester, Minnesota)

September 24, 2020 – An AWC was issued in which Church was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Church consented to the sanctions and to the entry of findings that he failed to notify his member firm of and amend his Form U4 to reflect certain material information he was required to report. The findings stated that Church also submitted a false compliance certification to the firm regarding whether certain reportable events occurred.

The suspension is in effect from October 5, 2020, through December 4, 2020. ([FINRA Case #2019061356301](#))

Robert Steven Meyer (CRD #3074785, Colts Neck, New Jersey)

September 25, 2020 – An AWC was issued in which Meyer was fined \$7,500, suspended from association with any FINRA member in all capacities for three months, ordered to pay \$25,030, plus interest, in restitution to customers, and required to complete 20 hours of continuing education concerning FINRA's suitability rule. Without admitting or denying the findings, Meyer consented to the sanctions and to the entry of findings that he engaged in quantitatively unsuitable trading in customer accounts. The findings stated that Meyer recommended numerous trades in a customer's account that caused the customer to pay \$10,462 in commissions and resulted in the customer's account experiencing a realized loss of \$33,973. Meyer also recommended numerous trades in another customer's account that caused the customer to pay \$14,568 in commissions and resulted the customer's account experiencing a realized loss of \$19,210.

The suspension is in effect from October 19, 2020, through January 18, 2021. ([FINRA Case #2019062980702](#))

Joshua K. Staudinger (CRD #5954979, Eatontown, New Jersey)

September 25, 2020 – An AWC was issued in which Staudinger 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, Staudinger consented to the sanctions and to the entry of findings that he deposited checks totaling \$3,250 issued from his closed financial accounts into his personal bank accounts when he knew or should have known that the accounts did not have funds to cover the checks, and withdrew the funds from his personal bank accounts before the checks were returned for insufficient funds. The findings stated that Staudinger's conduct caused him to maintain negative balances in his personal bank accounts and to accrue overdraft and returned check fees in those accounts. Staudinger paid off the negative balances and partially paid off fees through periodic deposits.

The suspension is in effect from October 5, 2020, through January 4, 2021. ([FINRA Case #2018060345401](#))

Scott Joseph Bird (CRD #5525237, Nacogdoches, Texas)

September 28, 2020 – An AWC was issued in which Bird was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Bird consented to the sanctions and to the entry of findings that he submitted falsified account statements to an insurance company affiliate of his member firm. The findings stated that because Bird had not reconciled monthly a non-interest-bearing account used to hold customer premium payments, he had failed to seek and obtain from the affiliate necessary payments to the account for returned check fees, which the bank imposed and deducted from the account when customers cancelled or changed policies after making premium payments. Following

a review, Bird agreed to a written action plan to improve his account reconciliations. However, Bird did not follow the written action plan and continued to fail to maintain a balanced account. Subsequently, the affiliate commenced another review of Bird's account and required him to submit certain account bank statements that would have reflected his continued failure to maintain a balanced account. Therefore, Bird falsified bank statements, before submitting them to the affiliate, in order to conceal the failure. Bird altered the bank statements to omit returned check fees and related overdraft fees and interest charges that were imposed because he failed to timely request payments from the affiliate. Bird also altered the daily, average and ending balance amounts on those documents to conceal those fees and charges. Nevertheless, the affiliate identified that Bird had falsified the bank statements. Later, Bird and the affiliate deposited funds into the account to cover the fees and charges.

The suspension is in effect from October 5, 2020, through February 4, 2021. ([FINRA Case #2019061474301](#))

Michael Robinette Jeppson (CRD #1418378, Playa Del Rey, California)

September 28, 2020 – An AWC was issued in which Jeppson was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Jeppson consented to the sanctions and to the entry of findings that he improperly removed non-public personal customer information from his member firm, without the firm or the customers' knowledge or consent. The findings stated that in anticipation of joining another FINRA member firm, Jeppson sent unencrypted emails from his firm email account to his personal email account containing his customers' non-public personal information that he received from the firm as part of his employment as a registered representative. Jeppson retained this information after the termination of his association with the firm during which time he was not entitled to possess the information. Through this conduct, Jeppson caused the firm to violate Regulation S-P.

The suspension was in effect from October 5, 2020, through October 23, 2020. ([FINRA Case #2019061760001](#))

Michael Kris Pina (CRD #5922058, Coral Springs, Florida)

September 29, 2020 – An AWC was issued in which Pina was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in all capacities for 16 months and ordered to pay \$19,800, plus interest, in deferred restitution to customers. Without admitting or denying the findings, Pina consented to the sanctions and to the entry of findings that through an entity he controlled, he borrowed a total of \$72,000 from four brokerage customers, which was strictly prohibited by his member firm. The findings stated that Pina orally promised to each customer that he would repay the principal and pay an agreed amount of interest. Pina did not document the loans in a loan agreement

or other written instrument at the time he borrowed the funds. Pina repaid the principal to two of the customers, but still owes \$12,300 of principal to one customer and \$7,500 of principal to another. In addition, Pina falsely represented to the firm in a compliance questionnaire that he had not borrowed money or securities from any firm customer whether his customer or anyone else's customer. The findings also stated that although he accurately described two of the loans in written responses to FINRA, Pina failed to disclose one loan from a customer and misstated the amount that he owed at the time to another customer. During his investigative testimony, Pina corrected his prior misstatements and testified truthfully.

The suspension is in effect from October 5, 2020, through February 4, 2022. ([FINRA Case #2019061993401](#))

Kevin Shiuan-Yee Liu ([CRD #6593452](#), Frisco, Texas)

September 30, 2020 – An AWC was issued in which Liu was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 20 business days. Without admitting or denying the findings, Liu consented to the sanctions and to the entry of findings that he circumvented his member firm's policies and procedures by transferring files containing confidential information, as defined by the firm, to a personal cloud storage site or personal email account. The findings stated that a significant majority of these files contained non-public information from the firm's corporate customers. Almost all of the file transfers occurred shortly before Liu informed the firm that he was resigning to assume a position elsewhere. In addition, in connection with his pending departure, Liu falsely certified to the firm that he had complied with his obligations under firm policies on confidential information and was not taking any confidential information. The firm identified the file transfers and required Liu to delete the files before his departure.

The suspension was in effect from October 5, 2020, through October 30, 2020. ([FINRA Case #2019062377901](#))

Decision Issued

The OHO issued the following decision, which has been appealed to or called for review by the NAC as of September 30, 2020. The NAC may increase, decrease, modify or reverse the findings and sanctions imposed in the decision. Initial decisions where the time for appeal has not yet expired will be reported in future FINRA Disciplinary & Other Actions.

Devin Lamarr Wicker ([CRD #4228250](#), New York, New York)

September 30, 2020 – Wicker appealed an OHO decision to the NAC. Wicker was barred from association with any FINRA member in all capacities and ordered to pay \$50,000, plus interest, in restitution to a customer. The sanctions were based on findings that Wicker

misused and converted \$50,000 from a customer by intentionally, and without authority, using the customer's funds for purposes the customer did not intend. The findings stated that the customer had engaged Wicker's member firm as underwriter for a proposed IPO. The customer agreed to reimburse the firm for the legal fees and expenses of the law firm retained by the firm to work on the IPO. At Wicker's direction, the firm sent the customer an invoice for \$50,000 to be used for the counsel's retainer and in accordance with the instruction, the customer immediately wired the \$50,000. The bank account to which the firm directed the customer's money was the bank account used to fund the firm's operations. The firm paid its own expenses such as payroll and commissions from the account, and Wicker periodically made payments to himself from it. Wicker described the payments to himself as guaranteed payments under the firm's partnership agreement and repayments of undocumented loans he had made to the firm. The customer's funds were commingled with the other funds in the account, without segregating or earmarking them as customer funds. The findings also stated that Wicker controlled the firm and its bank account. Wicker's approval was necessary for any wire transfers from the firm's bank account, and he was the only person who could write checks or make cash withdrawals from the account. Despite repeated requests either to pay the counsel, or to refund the money to the customer, Wicker did neither. Instead, Wicker treated all funds in the account as belonging to the firm and disbursed them in the operating account for other purposes, including the firm's payroll and payments to himself. The balance in the firm's account fluctuated, sometimes having less than \$50,000 and sometimes more. In fact, once the account even had a negative balance. However, even when there were sufficient funds in the account, Wicker did not pay the counsel or refund the customer's money. Instead, he dissipated virtually all the funds in the account, including the customer's funds. Ultimately, the firm ceased operations. Later, after filing a Uniform Request for Broker-Dealer Withdrawal (Form BDW) to withdraw its registration with FINRA, the firm's FINRA registration was canceled for failure to pay required fees. The customer never recovered its \$50,000.

The sanctions are not in effect pending review. ([FINRA Case #2016052104101](#))

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.

Bryan Gabriel Mazliach ([CRD #5518438](#), Surfside, Florida)

September 8, 2020 – Mazliach was named a respondent in a FINRA complaint alleging that while associated with a FINRA member firm, he excessively and unsuitably traded customer accounts by recommending and executing in their accounts a high-cost, in-and-out trading strategy. The complaint alleges that the recommended investment strategy lost customers over \$170,000, while generating commissions and fees for the firm and Mazliach of more than \$187,000. Mazliach's trades in these customer accounts included hundreds that were unauthorized. These trades, when taken together, were excessive and quantitatively unsuitable for the customers based upon their investment profiles. In addition, Mazliach failed to have a reasonable basis to believe that his recommended investment strategy was suitable for anyone. Mazliach failed to perform reasonable diligence to understand the potential risks associated with the investment strategy that he was recommending, namely how the costs associated with an in-and-out trading strategy would impact the ability of the accounts to turn a profit. Mazliach did not calculate or track the costs associated with his trading strategy, much less consider the cumulative impact the commissions and fees associated with his strategy would have on his customers' ability to earn a profit. The complaint also alleges that Mazliach compounded his misconduct by engaging in unauthorized trading in his customers' accounts, some of which were also excessively traded. The complaint further alleges that during FINRA's investigation into his trading activity, Mazliach failed to respond to its requests for documents and information. ([FINRA Case #2016051583101](#))

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.)

Avalon Investment & Securities Group, Inc. (CRD #6281)
Muscle Shoals, Alabama
(September 11, 2020)

Firm Suspended for Failure to Pay FINRA Dues, Fees and Other Charges Pursuant to FINRA Rule 9553

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

Objective Equity, LLC (CRD #132026)
Greenbrae, California
(August 13, 2019 – July 31, 2020)

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.)

John Philip Evans (CRD #2711162)
West Chester, Pennsylvania
(September 28, 2020)
FINRA Case #2020065068901

Brendan Daniel Feitelberg (CRD #4897015)
Boston, Massachusetts
(November 23, 2018 – September 4, 2020)
FINRA Case #2018058123601

Dia Denise Howell (CRD #3074159)
Coeur d'Alene, Idaho
(September 11, 2020)
FINRA Case #2020065479201

May Myong-Hee Kim (CRD #3199492)
La Mirada, California
(September 28, 2020)
FINRA Case #2019064919201

Jonathan Craig Malone (CRD #4620520)
Stamford, Connecticut
(September 8, 2020)
FINRA Case #2019064769902

Evan A. Nadelman (CRD #4918944)
Hicksville, New York
(September 1, 2020)
FINRA Case #2020065680901

Evan A. Nadelman (CRD #4918944)
Hicksville, New York
(September 11, 2020)
FINRA Case #2020065680902

Gyasi Ezra Richard (CRD #7096933)
San Jose, California
(September 29, 2020)
FINRA Case #2020066438101

Philip Francis Scherello (CRD #1571178)
Staten Island, New York
(September 15, 2020)
FINRA Case #2019064895001

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.)

Casey Francis Brougham (CRD #4924133)
Manchester, Maine
(September 8, 2020)
FINRA Case #2020065356701

Spyridon Chandrinou (CRD #7074000)
Charlotte, North Carolina
(September 25, 2020)
FINRA Case #2019064085501

Derek Edwards (CRD #2379889)
Fairburn, Georgia
(September 21, 2020)
FINRA Case #2020066087601

William Edwards Ellis (CRD #6770635)
Irving, Texas
(July 20, 2020 – September 29, 2020)
FINRA Case #2020065914201

Ignacio Erhart Del Campo (CRD #6084596)
Montevideo, Uruguay
(June 15, 2020 – September 21, 2020)
FINRA Case #2019064055401

Caleb Andrew Hutzler (CRD #6446513)
Martinsburg, West Virginia
(September 28, 2020)
FINRA Case #2020065355901

Narongdej Jaroensabphayanont (CRD #5393272)
Seattle, Washington
(September 25, 2020)
FINRA Case #2020066841801

Young Ju Kim (CRD #7150344)
Los Angeles, California
(September 4, 2020)
FINRA Case #2019062646301

Kevin Leonard Lafollette (CRD #6194286)
Columbus, Ohio
(September 21, 2020)
FINRA Case #2020065715501

Individual Suspended for Failure to Pay FINRA Dues, Fees and Other Charges Pursuant to FINRA Rule 9553

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

Rachael Leigh Konz (CRD #4040114)
Folsom, California
(March 7, 2019 – September 14, 2020)
FINRA Arbitration Case #16-02604

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.)

William Andrew Baris (CRD #6178840)
Massapequa, New York
(July 16, 2020 – September 3, 2020)
FINRA Case #2020067008301/ARB200024/
Arbitration Case #19-00713

Riza Khalil Hernandez (CRD #3219740)

Oakland, California
(September 15, 2020)
FINRA Arbitration Case #20-00738

Donald George Padilla (CRD #3053711)

Porter Ranch, California
(January 22, 2020 – September 18, 2020)
FINRA Arbitration Case #18-02168

Jon Gregory Sanchez (CRD #2418439)

Wellington, Nevada
(September 25, 2020 – October 8, 2020)
FINRA Arbitration Case #19-03631

Joseph Michael Shimko Jr. (CRD #4611093)

Palm City, Florida
(September 15, 2020)
FINRA Case # 2020065307601/ARB200002

Paul Francis Stanford (CRD #4462035)

Plymouth, Massachusetts
(September 3, 2020)
FINRA Case #20200669721/ARB200023/
Arbitration Case #13-03015

Paul Francis Stanford (CRD #4462035)

Plymouth, Massachusetts
(September 15, 2020)
FINRA Arbitration Case #20-01006

PRESS RELEASE

FINRA Sanctions Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC More Than \$2 Million for Supervisory Violations Related to Variable Annuity Switches

Firms to Pay \$1.4 Million in Restitution to Approximately 100 Affected Customers

FINRA announced that [Wells Fargo Clearing Services, LLC](#) and [Wells Fargo Advisors Financial Network, LLC](#) (Wells Fargo) have agreed to pay more than \$1.4 million in restitution, plus interest, to approximately 100 customers and fines totaling \$675,000 for failing to supervise recommendations that customers switch from variable annuities to investment company products.

FINRA found that from January 2011 through August 2016 Wells Fargo failed to supervise the suitability of recommendations that customers sell a variable annuity and use the proceeds to purchase one or more investment company products, such as mutual funds or unit investment trusts. In spite of directives in the firms' supervisory procedures that supervisors review the suitability of any product switch by considering the comparative costs and benefits associated with the new and existing products, the firms did not obtain from variable annuity issuers data sufficient to review the suitability of variable annuity surrenders and subsequent switches, including surrender fees. Wells Fargo's procedures also required the firms to send switch letters to clients, which would have confirmed customers' understanding of the transaction, as well as related risks and expenses. Although the procedures required that such letters be sent "automatically ... based on alerts generated by [the firms'] supervisory system[s], unless withheld by the qualified supervisor." The firms did not, in fact, have a switch alert to identify switches from variable annuities to investment company products during the relevant period and the firms did not send switch letters to affected customers.

As a result, between January 2011 and August 2016, Wells Fargo's representatives recommended at least 101 potentially unsuitable switches that required customers to incur both surrender fees and substantial new sales charges. For example, one former representative recommended that a customer liquidate a variable annuity with a surrender value of \$126,681—which caused the customer to pay a surrender fee of \$5,070—and then use the proceeds to purchase class A mutual funds with upfront sales charges totaling \$5,531. In addition to causing the customer to incur \$10,601 in surrender fees and upfront sales charges, the recommended switch resulted in the customer earning less annual income than she would have earned had she not sold the variable annuity.

Jessica Hopper, Executive Vice President and Head of FINRA's Department of Enforcement, said, "Firms must have a reasonable supervisory system in place to detect potentially unsuitable switches. Wells Fargo failed to meet this standard. We are pleased that customers will receive restitution for surrender fees and sales charges incurred as a result of these recommendations."

In settling [this matter](#), Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC neither admitted nor denied the charges, but consented to the entry of FINRA's findings. In addition, in August 2016, the firms took several steps to improve their supervision of switches involving variable annuities, including developing a switch alert to identify when the proceeds from a variable annuity liquidation are used to purchase an investment company product.