

Disciplinary and Other FINRA Actions

Firms Fined, Individuals Sanctioned

Montrose Securities International (CRD® #35603, Sausalito, California) and Philip Yew Leung (CRD #1121435, Tiburon, California)

October 16, 2020 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured and fined \$20,000, of which \$10,000 is joint and several with Leung. Leung was fined \$20,000, of which \$10,000 is joint and several with the firm, and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, the firm and Leung consented to the sanctions and to the entry of findings that they failed to establish and maintain a reasonable supervisory system, including Written Supervisory Procedures (WSPs), to supervise the reimbursement of firm business expenses. The findings stated that the firm’s WSPs did not address what business expenses employees could be reimbursed for or require employees to submit any documentation describing the business purpose for each expense. The firm also did not conduct any reviews in order to determine whether the expenses had been improperly charged to the firm or not. Due to these supervisory deficiencies, the firm had no way to reasonably evaluate or verify whether the payments Leung recorded on the firm’s general ledger as business expenses were accurate.

The findings also stated that Leung caused the firm to have inaccurate books and records by inaccurately classifying certain of his personal expenses as business expenses on the firm’s general ledger. The firm’s general ledger did not itemize the firm’s business expenses charged to Leung’s personal credit cards and were recorded as either “travel and entertainment” expenses or “office expenses.” Leung’s improper characterizations resulted in the firm paying for \$152,000 of his personal expenses that did not relate to the firm’s business or customers, such as: gas, groceries, vacation dining and hotel stays, and sporting events. Leung relied on the firm’s inaccurate general ledger to prepare its monthly Financial and Operational Combined Uniform Single (FOCUS) reports, and as a result, these reports were also inaccurate, understating the amount of distributions to Leung and overstating the firm’s business expenses.

The suspension is in effect from November 16, 2020, through December 15, 2020. ([FINRA Case #2019061008601](#))

Planner Securities LLC (CRD #36866, New York, New York) and Humberto Santos (CRD #2855514, Scotch Plains, New Jersey)

October 16, 2020 – An AWC was issued in which the firm was censured, fined \$50,000 and required to engage an independent consultant to conduct a comprehensive review of the adequacy of its policies, systems and procedures, including but not limited to its anti-money laundering (AML) procedures

Reported for December 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).

relating to detecting and causing the reporting of suspicious transactions and its Customer Identification Program (CIP) procedures. A lower fine was imposed after considering, among other things, the firm's revenue and financial resources. Santos was fined \$10,000 and suspended from association with any FINRA member in any principal capacity for one month.

Without admitting or denying the findings, the firm and Santos consented to the sanctions and to the entry of findings that they failed to establish and implement an AML compliance program reasonably designed to detect and cause the reporting of potentially suspicious transactions. The findings stated that the firm, Santos, and the firm's AML compliance officer (AMLCO) did not take reasonable steps to establish and implement an AML program tailored to the firm's new business lines. Although the AML procedures listed types of securities transactions that could be considered "red flags," there were no procedures as to how the firm would review for red flags related to its low-priced securities business. Further, the firm failed to reasonably train its employees regarding how to conduct reviews for suspicious transactions. The firm's review for potentially suspicious transactions was limited to a manual review, which was unreasonable given the growth and complexity of the firm's new international business lines. Santos was aware that the firm's AMLCO had failed to reasonably discharge his responsibility to implement a surveillance system to monitor for suspicious activity, but failed to promptly act to resolve the deficiencies.

The findings also stated that the firm and Santos failed to establish and implement a reasonably designed CIP. The firm relied on a third-party program, offered through its clearing firm, to satisfy its CIP requirements. However, Santos did not establish reasonably designed procedures related to the firm's use of the program, including how information the firm collected should be reviewed and what to do in the event the system flagged or rejected an account. The firm also did not maintain records of accounts that the system flagged as needing further review, or otherwise document how it responded to flagged or rejected accounts. Further, independent audit reports repeatedly noted the firm's failure to obtain valid picture identification and failure to maintain documentation of review. Although Santos was aware of these reports, he did not take reasonable steps to improve the firm's CIP procedures. Moreover, the firm opened brokerage accounts for an advisor's customers for which Santos did not take any steps to collect or verify customer information.

The findings also included that the firm failed to establish and maintain a supervisory system reasonably designed to achieve compliance with securities laws and regulations, including failing to establish and implement WSPs tailored to its business. Despite assurances to FINRA that the firm would update its WSPs, in part to tailor them to the online trading business it acquired, the firm did not do so. In addition, the firm did not have a system, including written procedures, designating principals to carry out the supervisory responsibilities of the firm for its various business lines.

FINRA found that the firm failed to conduct testing of its supervisory control system for one calendar year and failed to create an annual report documenting its process for establishing, maintaining, reviewing, testing and modifying the firm's compliance policies. Although the firm created an annual certification for that year, the certification was deficient.

The suspension is in effect from November 16, 2020, through December 15, 2020.
([FINRA Case #2017052478902](#))

Firms Fined

Raymond James & Associates, Inc. ([CRD #705](#), St. Petersburg, Florida)

October 7, 2020 – An AWC was issued in which the firm was censured and fined \$47,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that, as a remarketing agent for variable rate demand obligations, it submitted information regarding the result of interest rate resets to the Municipal Securities Rulemaking Board's (MSRB) Short-term Obligation Rate Transparency (SHORT) system, but in certain instances, most of which related to its acquisition of the book of another broker-dealer, the firm failed to include the minimum denomination or maximum interest rate. The findings stated that the missing minimum denomination affected 27 Committee on Uniform Security Identification Procedures (CUSIPs), while the missing maximum interest rate affected 30 CUSIPs. The reporting failures occurred because the firm's reporting system, which transmits data to SHORT for the MSRB's Electronic Municipal Market Access (EMMA) system, did not require the entry of the minimum denomination and maximum interest rate fields. Firm traders mistakenly left the minimum denomination and maximum interest rate fields blank.

The findings also stated that the firm did not maintain a supervisory system, including WSPs, that was reasonably designed to ensure compliance with MSRB reporting requirements. The firm's supervisory system failed to include a review designed to determine whether it had submitted all required information to the SHORT system, and whether the information submitted, including the minimum denomination and maximum interest rate, was accurate. In addition, although the firm updated its supervisory system to include a review to verify that the minimum denomination and maximum interest rates had been reported to SHORT, the firm's WSPs did not include reference to this review.
([FINRA Case #2018057742301](#))

RJJ Pasadena Securities, Inc. ([CRD #8425](#), South Pasadena, California)

October 7, 2020 – An AWC was issued in which the firm was censured, fined \$5,000 and required to revise its WSPs. A lower fine was imposed after considering, among other things, the firm's revenue and financial resources. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it allowed

its only registered options principal to conduct her own options business through the firm without being supervised by a properly registered principal. The findings stated that the firm permitted a general securities principal to review and approve the options transactions of the options principal even though he was not a registered options principal. These trades resulted in commissions of \$36,630.63. None of these trades were supervised by an options principal.

The findings also stated that the firm committed supervisory violations relating to the options principal's options business. The firm failed to reasonably supervise this business by not having another options principal review and approve the options principal's option business. In addition, the firm's WSPs were unreasonable because they did not require a second principal to qualify as a registered options principal in order to supervise its options principal's options business. Furthermore, the firm failed to enforce its WSPs. The firm's procedures required a registered options principal to review and supervise the firm's options transactions, but the firm did not implement this procedure for the options principal's options transactions. ([FINRA Case #2017053556902](#))

Canaccord Genuity LLC (CRD #1020, New York, New York)

October 8, 2020 – An AWC was issued in which the firm was censured and fined \$27,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it effected opening transactions in a stock option contract on a customer's behalf that exceeded the applicable position limit for a particular options position. The findings stated that the firm failed to establish and maintain a supervisory system, including WSPs, that was reasonably designed to achieve compliance with option position limit requirements. The firm's WSPs provided that the head of operations was the designated supervisor responsible for identifying positions that exceed allowable limits, but the WSPs failed to describe how to perform a review or the frequency of such review. In addition, the firm did not have any report that identified position limit overages. Instead, the firm relied on its clearing firm to inform it of position limit violations without reasonable oversight. The firm took steps to update its WSPs to address these deficiencies. ([FINRA Case #2018060153902](#))

CapFi Partners LLC (CRD #113795, Vienna, Virginia)

October 20, 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 misclassified on its general ledger an individual's personal expenses as business expenses of the firm, rather than as compensation to him, causing its books and records and its FOCUS reports to be inaccurate. The findings stated that the individual, who was the firm's owner, chief executive officer (CEO) and chief compliance officer (CCO), used the firm's credit card and bank account to pay for approximately \$265,000 of his personal expenses. The owner's personal expenses included plane tickets and lodging accommodations for family members, as well as purchases for goods or services with no business nexus. ([FINRA Case #2018056386401](#))

National Securities Corporation ([CRD #7569](#), Boca Raton, Florida)

October 27, 2020 – An AWC was issued in which the firm was censured and fined \$125,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to comply with its Uniform Application for Securities Industry Registration or Transfer (Form U4) and Uniform Termination Notice for Securities Industry Registration (Form U5) reporting obligations by failing to timely file Forms U4 and Forms U5 relating to reportable customer complaints and an unsatisfied judgment, and failing to file Forms U4 relating to reportable customer complaints. The findings stated that the firm knew about these events but was between one month and two years late in disclosing them, and often did not disclose them until after a FINRA inquiry. The findings also stated that the firm failed to report or reported late statistical and summary information for written customer complaints, reported late a settlement of a customer's claim against one of its associated persons for sales practice violations, and submitted inaccurate or incomplete filings required by FINRA Rule 4530(d). The findings also included that the firm failed to enforce its WSPs designed to achieve compliance with reporting requirements for Form U4 and U5 amendments and FINRA Rule 4530 filings. The firm failed to identify the communication at issue as a customer complaint or incorrectly determined that a customer complaint was not a reportable event, failed to timely review and process customer complaints in accordance with firm procedures, and entered the wrong problem code or failed to identify the subject security in a FINRA Rule 4530 filing.

FINRA found that the firm failed to establish, maintain, and enforce WSPs reasonably designed to achieve compliance with Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-9 thereunder regarding contingency offerings. Although the firm maintained WSPs addressing contingency offerings, these written procedures were limited in that they only covered escrow requirements and the return of funds where a contingency was not met by the closing date. The firm's written procedures failed to address circumstances involving material changes to an offering such as the extension of an offering, a change in the contingency amount or a change in the structure. The written procedures also were silent on non-bona fide sales, which are prohibited absent required disclosures. Ultimately, the firm revised its written procedures. ([FINRA Case #2017053208002](#))

Individuals Barred

Kathleen Marie Bott ([CRD #2185075](#), Spokane, Washington)

October 2, 2020 – An AWC was issued in which Bott was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Bott consented to the sanction and to the entry of findings that she failed to provide documents and information FINRA requested in connection with its investigation concerning her alleged theft of funds. The findings stated that Bott provided a partial response to FINRA's request but failed to provide requested bank account statements. ([FINRA Case #2020065552601](#))

Jenna Kang ([CRD #6334679](#), La Crescenta, California)

October 8, 2020 – An AWC was issued in which Kang was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Kang consented to the sanction and to the entry of findings that she refused to produce information and documents FINRA requested in connection with its investigation into whether she had signed customer signatures on her member firm's documents. ([FINRA Case #2020066356001](#))

Jeffrey Allan Broten ([CRD #1006678](#), Barnegat, New Jersey)

October 13, 2020 – An AWC was issued in which Broten was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Broten consented to the sanction and to the entry of findings that he refused to provide on-the-record testimony FINRA requested in connection with its investigation into his potentially unsuitable and unauthorized trading while associated with a member firm. ([FINRA Case #2019064752401](#))

Joshua William Conner ([CRD #4945942](#), Mount Juliet, Tennessee)

October 15, 2020 – An AWC was issued in which Conner was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Conner consented to the sanction and to the entry of findings that he converted approximately \$5,600 from his member firm's parent company for his personal use. The findings stated that Conner worked for the firm's parent company, a fraternal financial organization that is organized into chapters. Conner was responsible for servicing nine chapters and was authorized to withdraw funds from each chapter's respective bank accounts to pay for chapter events and community improvement projects. Connor withdrew funds from the bank accounts for his personal use without authorization. ([FINRA Case #2020066219001](#))

Sean Michael Refsnider ([CRD #4762963](#), Collingswood, New Jersey)

October 15, 2020 – An Offer of Settlement was issued in which Refsnider was barred from association with any FINRA member in all capacities. Without admitting or denying the allegations, Refsnider consented to the sanction and to the entry of findings that he failed to provide FINRA with all of the documents and information that it requested in connection with its investigation into whether he converted approximately \$42,000 in funds belonging to an elderly customer. The findings stated that FINRA's investigation included reviewing allegations that Refsnider obtained a check from the customer and used the funds for personal expenses, and used the customer's debit card to withdraw cash and make purchases for himself. ([FINRA Case #2019063790901](#))

Michael Joseph Clarke ([CRD #1078211](#), Jersey City, New Jersey)

October 19, 2020 – Clarke appealed a National Adjudicatory Council (NAC) decision to the Securities and Exchange Commission (SEC). Clarke was barred from association with any FINRA member in all capacities and ordered to pay \$612,400, plus interest, in restitution to his colleagues and their business associate. The NAC modified, in part, the findings and sanctions imposed by the Office of Hearing Officers (OHO). The sanctions were based on the findings that Clarke engaged in unethical conduct by converting \$612,400 advanced to him from his colleagues and the business associate, who was also an advisory client of Clarke's member firm, for the purpose of purchasing and reselling tickets and the purchase of U.S. Open licenses. The findings stated that contrary to his representations, Clarke intentionally used the funds he received for his personal benefit, including repaying other creditors and covering personal expenses, without his colleagues or the business associate's knowledge.

The findings also stated that Clarke made material misrepresentations to his colleagues and the business associate when he convinced them to provide him with the funds based upon false statements that he would use the money to purchase the event tickets in connection with his ticket brokering business, that he would repay the money by a specific date, and that he would pay significant interest. Clarke made additional misrepresentations to one of his colleagues when he told him that he would use the money to acquire the U.S. Open seat licenses and that the colleague's money would be held in an escrow account with Clarke's attorney until the tickets were purchased. The findings also included that Clarke deliberately wrote checks with ample reason to know that the checks would not clear. Clarke wrote the bad checks when he knew that others had been returned or knew that there were insufficient funds. Clarke also wrote checks on accounts he had just opened and into which he had not deposited sufficient funds for the checks to clear. The large differences between the balances in Clarke's accounts and the amounts of the checks he wrote further support that Clarke knew he was writing bad checks.

The NAC set aside liability for a portion of the bad checks and failed electronic transfers because the evidence was insufficient to establish that those bad checks and failed transfers were business-related. Clark was suspended and fined for the bad checks, but the sanctions were not imposed in light of the bar.

The bar remains in effect pending review. ([FINRA Case #2016050938301](#))

Christopher Anthony Fernan ([CRD #5896584](#), Plainview, New York)

October 19, 2020 – An AWC was issued in which Fernan was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Fernan consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony FINRA requested as part of an investigation that originated from a review of a customer complaint disclosed by his member firm in a Form U5. ([FINRA Case #2017053314902](#))

Eric Steven Smith (CRD #2894648, Troy, Michigan)

October 19, 2020 – Smith appealed a NAC decision to the SEC. Smith was barred from association with any FINRA member in all capacities and ordered to pay \$130,000, plus prejudgment interest, jointly and severally with his member firm, in restitution to investors. In light of the bar, additional sanctions were assessed but were not imposed. The NAC affirmed the findings and affirmed in relevant part the sanctions imposed by the OHO. The sanctions were based on the findings that Smith willfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and violated FINRA Rule 2020 by fraudulently misrepresenting and omitting material facts in connection with the sale of securities.

The findings stated that Smith engaged in acts of fraud over an extended period involving investors who lost the entirety of their investments. Smith solicited a minimum of 15 people to invest in a bridge loan note offering; of those, four people invested \$130,000 in the offering. Smith intentionally failed to disclose the critical fact that his member firm owed prior investors hundreds of thousands of dollars that it could not repay. Smith was desperate to raise funds for the firm, which was also struggling to pay its employees and remain viable. In addition, Smith knew or was reckless in not knowing that his representations about the firm's financial prospects were unfounded and would persuade investors to purchase the offering. Smith continued to solicit investors when it was obvious that his claims in the offering materials touting a special purpose bank and the purportedly pending engagements with a trust company and the city of Jacksonville, Florida, were false. Later, one of the investors requested a refund from Smith of his investment after he had not received documents related to his investment. Smith told the investor that he had no present ability to refund his money and attempted to assuage the investor's concerns by claiming without support that the firm's assets far exceed its total debt. Smith's fraudulent omission and misrepresentations resulted not only in the potential for monetary gain, but \$130,000 in actual gain for Smith and the firm for his sales to the investors.

The findings also stated that Smith actively engaged in a multitude of activities as a principal and representative despite his lack of registration. Smith knew that he was required to register as a principal in order to manage the firm's day-to-day securities business. Smith acknowledged in the firm's new member application form (Form NMA) that he was exempt from registration only if he was not actively engaged in the firm's management. However, Smith was active in most every aspect of firm management. Smith also acted as a representative without oversight when he directly, and through other firm representatives, solicited firm customers to invest in the firm's debt offerings. These solicitations resulted in some firm customers investing in firm offerings and provided the firm with much-needed cash infusions. Thus, Smith had the potential for monetary gain from these investments that served to keep his business afloat.

The bar remains in effect pending review. ([FINRA Case #2015043646501](#))

Mamoun Chater ([CRD #6819865](#), Asbury Park, New Jersey)

October 20, 2020 – An AWC was issued in which Chater was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Chater consented to the sanction and to the entry of findings that he refused to provide documents and information FINRA requested in connection with its investigation into the circumstances of his termination from his member firm. The findings stated that the firm filed a Form U5 stating that it had terminated Chater’s registration due to his failure to meet registration requirements. ([FINRA Case #2020065714201](#))

James Kenneth Couture ([CRD #4406284](#), Bellingham, Massachusetts)

October 21, 2020 – An AWC was issued in which Couture was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Couture consented to the sanction and to the entry of findings that he refused to produce all of the information and documents FINRA requested in connection with its investigation into the allegations that formed the basis of his termination from his member firm. The findings stated that Couture’s firm submitted a Form U5 terminating his registration and alleging that he altered identifying information, account balances and distributions in customer account statements, maintained comingled customer funds, and used an unapproved email address. Initially FINRA received a response to its requests from Couture, however his production was substantially incomplete. Subsequently, Couture decided to cease complying with FINRA’s requests. ([FINRA Case #2020067011901](#))

Cynthia Diane Cowden ([CRD #2054676](#), Bakersfield, California)

October 21, 2020 – An AWC was issued in which Cowden was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Cowden consented to the sanction and to the entry of findings that she recommended unsuitable high-risk, speculative investments to three senior customers, which included a married couple and one other customer. The findings stated that the Cowden recommended purchases for the couple, totaling \$231,200, of an illiquid, high-risk, non-traded real estate investment trust (REIT). The investments were not suitable given the couple’s investment objective, circumstances and financial needs. The investment’s illiquidity and high risk level also far exceeded the couple’s moderate risk tolerance. Cowden recommended that the other customer purchase \$250,000 of a speculative, high-risk, illiquid, closed-ended mutual fund that was not suitable given the other customer’s investment objective, circumstances and financial needs. In addition, the investment comprised an unsuitable concentration of over 50 percent of the customer’s net worth, and its illiquidity and high risk level also far exceeded the customer’s low to moderate risk tolerance. The findings also stated that Cowden provided false testimony to FINRA during its investigation regarding the customers’ assets and income. Specifically, Cowden falsely testified that the customers’ assets and income were far in excess of the actual amounts — financial information which made the customers appear qualified to invest in both of the investments. ([FINRA Case #2017055979301](#))

Julian Jay Piekarczyk ([CRD #1128773](#), Joliet, Illinois)

October 23, 2020 – An OHO decision became final in which Piekarczyk was barred from association with any FINRA member in all capacities. The sanction was based on the findings that Piekarczyk circumvented his member firm's policies by inducing a customer to designate Piekarczyk's spouse as a beneficiary of financial products the customer bought, and inducing the customer to open and fund a joint bank account with Piekarczyk and grant him a right of survivorship. The findings stated that Piekarczyk notified his firm that the customer, who was not a member of Piekarczyk's immediate or extended family, intended to make him a beneficiary of the customer's life insurance policy. The firm notified Piekarczyk, in writing, that he was prohibited from becoming a beneficiary of the customer's insurance policy without a firm-approved exception to its policies. Piekarczyk did not request that the firm approve an exception to its policies. Instead, Piekarczyk represented to the firm that he would not be the customer's beneficiary. Subsequently, the customer designated Piekarczyk's wife as beneficiary to multiple financial products that Piekarczyk sold to the customer. In addition, at Piekarczyk's suggestion, he and the customer opened an interest-bearing joint bank account with a right of survivorship. The customer funded the joint account with a deposit of \$76,977. Piekarczyk did not disclose to his firm that he maintained a joint bank account with the customer.

The findings also stated that when the customer died, Piekarczyk became the sole owner of the funds and interest earned in the joint bank account with the customer. Piekarczyk withdrew the balance of the joint account, totaling \$69,512, and deposited the funds into a bank account he held with his spouse. Furthermore, Piekarczyk's spouse received checks totaling \$76,540 as beneficiary of the customer's financial products. The administrator of the customer's estate complained to the firm about Piekarczyk's conduct, which led to his termination. ([FINRA Case #2018058117101](#))

Steven Ellsworth Larson ([CRD #2422755](#), Nisswa, Minnesota)

October 26, 2020 – A NAC decision became final in which Larson was barred from association with any FINRA member in all capacities. In light of the bar, a suspension and fine were not imposed. The NAC affirmed, in part, the findings and sanctions imposed by the OHO. The sanction was based on the findings that Larson willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and violated FINRA Rule 2020 by misrepresenting and failing to disclose material facts in written communications with his customers. The findings stated that Larson sent customers who owned church bonds an update through a document he created that alerted the customers to the fact that they would soon begin receiving monthly account statements from his member firm's clearing firm that no longer priced their bonds. Larson made a series of misrepresentations of material fact in the update and in other written communications with customers concerning the security of their church bonds and the soundness of the prices he provided them in the supplemental account statements. Larson told customers in the update that he developed the pricing methodology he used to price church bonds in the supplemental

account statements by working with the clearing firm, issuers, trustees and other church bond houses. In fact, Larson developed the pricing methodology without assistance, and he alone determined the church bond prices that appear in the supplemental account statements. Larson did so without any prior experience pricing church bonds or other debt securities. Larson also misrepresented material facts about the safety and value of the church bonds his customers owned, and he omitted information necessary to make the statements he made about the bonds not misleading. Larson's testimonials about the bonds in the update and the prices he provided his customers for their bonds in the supplemental account statements failed to account for numerous material facts about the deteriorating credit quality of the bonds that affected their value and the value of the customers' accounts. Larson misrepresented and omitted material facts regarding the value of a limited number of church bonds when he arranged for some of his customers to purchase bonds in cross trades with other customers at prices not reasonably related to the market. Larson arranged and executed the cross trades without discussing with the purchasers that they were paying prices that exceeded the value of the bonds or disclosing other material information about their value.

The findings also stated that Larson failed to respond fully and promptly to FINRA's information requests in connection with an investigation into allegations that a former registered representative participated in a prohibited outside business activity (OBA) without prior approval. Larson provided certain requested documents to FINRA only after it issued a fourth request for information and documents. The findings also included that FINRA began an examination of the firm to review, among other things, the supervisory review of disclosures made by its representatives about their OBAs. In response, Larson backdated OBA forms and provided the forms to FINRA to give the false impression that he conducted his required supervisory review at the time a representative submitted the documents to the firm, 18 months prior to when Larson actually reviewed and signed the forms.

FINRA found that Larson filed a misleading continuing membership application. Notably, Larson did not disclose that a colleague of his, who was the subject of a FINRA action that suspended her from associating with any FINRA member, was a source of the money he and the other firm owner used to fund the firm. Larson also did not disclose that the colleague anticipated ownership and control of the firm. By failing to disclose this information, Larson prevented FINRA from reviewing the application fully to ensure it complied with the standards for admission. ([FINRA Case #2014039174202](#))

Vonna Kay Husby (CRD #1314070, Fairbanks, Alaska)

October 29, 2020 – An AWC was issued in which Husby was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Husby consented to the sanction and to the entry of findings that she refused to produce information and documents FINRA requested in connection with its investigation into

whether she served as a power of attorney and opened an undisclosed bank account that she allegedly co-owned with one of her elderly customers. The findings stated that although Husby initially cooperated with FINRA's investigation, she ceased doing so. ([FINRA Case #2019062808901](#))

Individuals Suspended

Walter Osvaldo Vazquez ([CRD #4485011](#), Punta Gorda, Florida)

October 1, 2020 – An AWC was issued in which Vazquez was assessed a deferred fine of \$15,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Vazquez consented to the sanctions and to the entry of findings that he conducted an OBA when he worked for a tax and accounting service provider for which he received nearly \$63,000 in compensation without providing prior written notice to or receiving approval from his supervisory principal. The findings stated that Vazquez completed attestations at his member firm on which he did not disclose the OBA. In addition, during the firm's investigation of allegations by a customer that Vazquez provided consolidated statements and used outside email addresses, Vazquez misled the firm when he told them that he did not engage in an OBA.

The findings also stated that Vazquez caused his firm's failure to make and preserve books and records by using personal email accounts to send and receive emails without providing copies to the firm, thereby preventing the firm from capturing the securities-related communications. Vazquez used outside email addresses, including one from his OBA, to exchange emails with a customer and her daughter about the customer's accounts and investments. Vazquez attached consolidated account statements to three of the emails. In addition, Vazquez attached to emails spreadsheets of income the customer received, copies of correspondence from REIT companies, and copies of powers of attorney. The findings also included that Vazquez created and provided to the customer and her daughter consolidated account statements on which he failed to display the name of the broker-dealer with which he was associated at the time. Vazquez also failed to include a disclosure that the consolidated statement was for informational purposes and may include assets that the firm does not hold on behalf of the customer and are not included on the firm's books and records. A majority of the consolidated statements included projected annual income, and some of those included inaccurate information.

The suspension is in effect from October 5, 2020, through April 4, 2021. ([FINRA Case #2019061989601](#))

James Ortega ([CRD #6676466](#), Pompano Beach, Florida)

October 2, 2020 – An AWC was issued in which Ortega was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 30 business days. Without admitting or denying the findings, Ortega consented to the

sanctions and to the entry of findings that he engaged in an OBA that exceeded the scope of the OBA for which he had received prior approval from his member firm. The findings stated that the firm approved a corporation Ortega started prior to his association to the firm as restricted with conditions, including that he could not market the activity to existing firm customers or use the same office space to conduct his OBA and firm brokerage business. The firm's approval also required that any changes to the information submitted about the OBA would require additional approval. Ortega acknowledged the approval and restrictions. Notwithstanding Ortega's statement that his proposed business was not offering services to other firm agents, and would simply forward leads, Ortega provided telemarketing services through the corporation to individuals at his firm's insurance agencies. Ortega sent invoices to these individuals for amounts between \$384 and \$770. Ortega offered telemarketing services through the corporation to another firm insurance agent. In so doing, Ortega exceeded the scope of his approved OBA, which had not included offering telemarketing services to firm agents, and he obtained compensation of approximately \$1,660 for the services he offered.

The suspension was in effect from October 5, 2020, through November 13, 2020. ([FINRA Case #2019061168602](#))

Tracy M. Meade (CRD #6145108, Charlottesville, Virginia)

October 5, 2020 – An AWC was issued in which Meade 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, Meade consented to the sanctions and to the entry of findings that she engaged in an OBA through which she provided payroll services, without providing prior written notice to her member firm. The findings stated that Meade started a company that provided payroll services to realtors, for which she received compensation. Meade continued engaging in this activity upon associating with the firm but did not provide written notice to the firm seeking approval of the company as an OBA until five months after joining it. Meade provided services, through her company, to firm brokerage customers but had established and maintained those company-based business relationships with each of these customers prior to her association with the firm. In addition, Meade provided a false and misleading compliance attestation to the firm, wherein she did not disclose the company as an OBA.

The suspension was in effect from October 5, 2020, through December 4, 2020. ([FINRA Case #2019064190001](#))

Alexander Edward Walker (CRD #6164661, Fort Thomas, Kentucky)

October 5, 2020 – An AWC was issued in which Walker 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, Walker consented to the sanctions and to the entry of findings that he failed to timely respond and provided partial but incomplete

responses to FINRA's request for information. The findings stated that FINRA initiated an investigation after review of an amended Form U5 submitted by Walker's former member firm. As part of its investigation, FINRA requested financial statements and phone and computer records. Initially, Walker did not respond and was suspended from associating with a FINRA member. Subsequently, Walker produced some but not all of the requested information.

The suspension is in effect from October 5, 2020, through April 4, 2021. ([FINRA Case #2018060213202](#))

Steven Michael Gribben (CRD #5835239, Irvine, California)

October 6, 2020 – An AWC was issued in which Gribben was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Gribben consented to the sanctions and to the entry of findings that he made negligent misrepresentations in transaction documents that he knew would be submitted to state courts to obtain judicial confirmation that securities issued in exchange for the satisfaction of claims against companies would be deemed exempted securities under Section 3(a)(10) of the Securities Act of 1933 and thus generally not subject to the registration requirements of Section 5 of the Securities Act. The findings stated that Gribben falsely represented in claim purchase agreements, all of which he signed, that his member firm did not enter into the transaction giving rise to the firm's claim against the microcap in contemplation of any sale or distribution of the microcap's common stock or other securities. In two of those claim purchase agreements, Gribben made the additional misrepresentation that falsely claimed the firm was not a broker or dealer in securities. When Gribben made these misrepresentations, he was aware that, to obtain court approval of the transactions, investors would be filing the claim purchase agreements in court. Gribben also knew that the firm would be paid its fee only if the investors successfully liquidated securities issued pursuant to court approval in connection with the exchanges. Gribben's conduct, however, was negligent, as he did not read the claim purchase agreements carefully before signing them, despite knowing that they would be submitted to a court. The misrepresentations also were material because they created the false impression that the firm was not timely paid for past work unrelated to the exchanges. Because the courts were required to conduct a public hearing to evaluate whether the claims were bona fide and to ensure that the issuance of securities was fair to the microcap company and to the parties receiving the shares, these misrepresentations may have impacted the courts' understanding of the proposed settlements, and may have influenced the courts' decisions to approve the exchanges of unregistered securities for the firm's claims.

The suspension is in effect from October 19, 2020, through January 18, 2021. ([FINRA Case #2018059776401](#))

Neemit Mukesh Shah ([CRD #4812480](#), Midlothian, Virginia)

October 6, 2020 – An AWC was issued in which Shah 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, Shah consented to the sanctions and to the entry of findings that he engaged in undisclosed and unapproved private securities transactions in the total amount of \$408,000. The findings stated that Shah solicited investors who were customers of his member firm to purchase securities in a company that represented itself as a structured cash flow investment, claiming to purchase pensions at a discount from pensioners and then selling a portion of those pensions as a pension stream to investors. Shah received a total of \$8,160 in commissions in connection with the transactions. Shah's failure is aggravated by the fact that he made a false attestation to his member firm that he did not participate in private securities transactions. Subsequently, the company ceased business, owing nearly \$300 million in unpaid investor payments. In an indictment, the United States charged the company and its owner with conspiracy to engage in mail and wire fraud related to the company's operations.

The suspension is in effect from October 19, 2020, through April 18, 2021. ([FINRA Case #2020065315701](#))

Dwight Lee Dykstra ([CRD #1028210](#), Orlando, Florida)

October 7, 2020 – An AWC was issued in which Dykstra was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in all capacities for one year and ordered to pay deferred disgorgement of commissions received in the amount of \$67,500, plus interest. Without admitting or denying the findings, Dykstra consented to the sanctions and to the entry of findings that he participated in private securities transactions without providing prior written notice to his member firm. The findings stated that Dykstra solicited investments in promissory notes issued by a limited liability company (the issuer) raising capital to develop a senior living real estate project. Dykstra contacted prospective investors, some of whom were customers or former customers of the firm, to inform them of the investment opportunity. Dykstra then provided marketing materials to interested investors, participated in communications between the issuer and interested investors, and facilitated the sale of promissory notes to investors. The issuer paid Dykstra \$67,500 in selling compensation for his participation in the transactions. In addition, Dykstra and his wife invested \$100,000 in a promissory note sold by the issuer. The promissory notes sold by the issuer were securities. Dykstra's participation in the promissory note securities transactions was outside the regular course and scope of his employment with the firm. After giving notice to the firm and receiving its approval, Dykstra sold membership interests in a fund formed to invest in the same senior living real estate project. However, Dykstra did not provide any prior notice to the firm of the promissory note transactions or of his role in those transactions.

The suspension is in effect from October 19, 2020, through October 18, 2021. ([FINRA Case #2019061365001](#))

Stephen Leroy Whittaker (CRD #831764, Phoenix, Arizona)

October 7, 2020 – An AWC was issued in which Whittaker 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, Whittaker consented to the sanctions and to the entry of findings that he engaged in an OBA without providing his member firm prior written notice. The findings stated that Whittaker accepted compensation for tax preparation services from firm clients. In addition, Whittaker did not disclose to the firm the activity as an OBA on an annual compliance attestation.

The suspension is in effect from October 19, 2020, through January 18, 2021. ([FINRA Case #2019062207301](#))

Donatas Belys Vildzius (CRD #2202883, Oxford, Connecticut)

October 9, 2020 – An AWC was issued in which Vildzius 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, Vildzius consented to the sanctions and to the entry of findings that he engaged in quantitatively unsuitable trading in customer accounts. The findings stated that Vildzius recommended the trading in the customers' accounts and they routinely followed his recommendations. As a result, Vildzius exercised de facto control over the customer accounts. Vildzius' trading of the accounts, which utilized a short-term, active trading strategy that included frequent in-and-out trading, resulted in high turnover rates and cost-to-equity ratios as well as significant losses. As a result of Vildzius' excessive trading, the customers suffered collective losses of \$32,240 and paid \$33,449 in commissions and fees.

The suspension is in effect from October 19, 2020, through April 18, 2021. ([FINRA Case #2017055157601](#))

John Paul Borne (CRD #4352826, Chula Vista, California)

October 13, 2020 – An AWC was issued in which Borne was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for five months. Without admitting or denying the findings, Borne consented to the sanctions and to the entry of findings that he intentionally altered his federal income tax returns and produced the falsified documents in an arbitration. The findings stated that Borne's member firm had discharged him for issues related to his travel and expense reports. The firm reported on Borne's Form U5 that certain expenses for which he requested and received reimbursement were not reasonable, appropriate or in some cases business related. Borne filed an employment-related arbitration against the firm alleging, among other things, that its Form U5 report was false, defamatory and misleading. During the arbitration, the firm requested that Borne produce his income tax returns. Borne objected, but the arbitration panel ordered him to produce them. Borne altered his federal tax returns before producing them to the firm. The alterations lowered the amount of

unreimbursed business expenses that Borne attempted to claim. The firm discovered the alterations when it compared the tax returns Borne produced to a copy of the genuine tax returns it found on the computer he used for business. When confronted with the genuine tax returns during the arbitration, Borne admitted to making the alterations and intentionally producing the altered documents.

The suspension is in effect from October 19, 2020, through March 18, 2021. ([FINRA Case #2018058742701](#))

Lonna Rae Dehn Ristvedt (CRD #2277778, Fargo, North Dakota)

October 13, 2020 – An AWC was issued in which Dehn Ristvedt 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, Dehn Ristvedt consented to the sanctions and to the entry of findings that she engaged in undisclosed and unapproved private securities transactions in the total amount of \$163,320. The findings stated that Dehn Ristvedt solicited investors to purchase securities in a company that represented itself as a structured cash flow investment, claiming to purchase pensions at a discount from pensioners and then selling a portion of those pensions as a pension stream to investors. Dehn Ristvedt received at least \$5,457.66 in commissions in connection with these transactions. Dehn Ristvedt also incorrectly attested on an annual compliance questionnaire that she did not participate in private securities transactions. Subsequently, the company ceased business, owing nearly \$300 million in unpaid investor payments. In an indictment, the United States charged the company and its owner with conspiracy to engage in mail and wire fraud related to the company's operations.

The suspension is in effect from October 19, 2020, through February 18, 2021. ([FINRA Case #2020066026901](#))

Sonia Maria Fernandez (CRD #4130144, Miami, Florida)

October 13, 2020 – An AWC was issued in which Fernandez was fined \$2,500 and suspended from association with any FINRA member in all capacities for 20 days. Without admitting or denying the findings, Fernandez consented to the sanctions and to the entry of findings that she circumvented her member firm's policies and procedures prohibiting employees from entering into financial relationships or transactions with customers absent pre-approval from the firm when she engaged in transactions, totaling \$70,500, in which she used personal funds to cash checks drawn on customer accounts. The findings stated that in connection with each transaction, Fernandez withdrew cash from her personal bank account away from the firm and delivered the cash to the customer at an in-person meeting. Around the same time that Fernandez delivered the cash, she received a check from the customer for the same amount drawn on the customer's firm brokerage account but made payable to an entity that a colleague of Fernandez controlled. Fernandez delivered the customer's check to her colleague, who deposited it in the entity's bank

account away from the firm. Fernandez then received from her colleague a check for the same amount, made payable to her, from the entity's bank account. Fernandez deposited that second check into her personal bank account. Fernandez instructed her customers to make the checks payable to her colleague's entity rather than to herself, directly to avoid detection by the firm. Had the checks been payable to Fernandez, she would have been identified as the payee on the firm's internal system and the customers' account statements. Fernandez was aware of the firm's general prohibition because she had previously been subject to a written warning from the firm for violating the same policy.

The suspension was in effect from November 2, 2020, through November 21, 2020. ([FINRA Case #2019063383301](#))

Yury Ivanou (CRD #6435958, Chicago, Illinois)

October 13, 2020 – An AWC was issued in which Ivanou 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, Ivanou consented to the sanctions and to the entry of findings that he engaged in an OBA without timely or fully disclosing his activities to his member firm. The findings stated that Ivanou generated over \$400,000 in gross revenue by renting apartments as short-term rentals through a third-party website. Ivanou managed the rentals by communicating with guests, accepting reservations, checking in guests upon their arrival, furnishing the rentals, purchasing supplies for the apartments, taking linens to be laundered, and hiring cleaners to clean the apartments. Ivanou completed an annual compliance certification for the firm in which he failed to identify his apartment rental business. Later, Ivanou made a partial disclosure after a supervisor overheard him speaking about his rental activities at the office and directed him to make a disclosure. However, in submitting the OBA disclosure, Ivanou failed to accurately identify when his rental activities began, the number of apartments for which he was receiving rental income, the frequency of the rental activity, and the amount of compensation he had received. At the time of this submission, Ivanou also made similar, additional representations to the firm about his outside business that were not accurate. In addition, Ivanou submitted an annual compliance certification that was again incomplete and inaccurate with respect to his OBA. Ivanou only listed his rental activity for the apartment where he resided as an OBA and failed to accurately disclose the income he had received. At the time he completed this certification, Ivanou was receiving compensation from other undisclosed apartments. Prior to Ivanou's termination, he never corrected his prior disclosures.

The suspension is in effect from October 19, 2020, through January 18, 2021. ([FINRA Case #2018060629802](#))

Pratul Victor Agnihotri ([CRD #4031797](#), College Point, New York)

October 14, 2020 – An AWC was issued in which Agnihotri was fined \$7,500 and suspended from association with any FINRA member in all capacities for 12 months. Without admitting or denying the findings, Agnihotri consented to the sanctions and to the entry of findings that he engaged in an OBA without providing prior written notice to either of his member firms. The findings stated that Agnihotri formed and became the CEO of a company that purportedly sold an exercise apparatus. On one of the firm’s annual compliance attestations, Agnihotri falsely replied to the question of whether he maintained any OBAs. The findings also stated that Agnihotri improperly used an \$8,000 check received from a firm customer intended to be used for purposes related to the company. Although Agnihotri did not provide the customer with any written documentation indicating how the customer’s funds were to be used, he and the customer both understood that the funds would be used for company-related business expenses. The scope of the business expenses or the specific expenses for which the funds would be used, however, were not delineated. Agnihotri deposited the customer’s check into the company’s bank account, which Agnihotri controlled. Agnihotri used approximately \$919 of this amount to pay expenses that he characterized as related to the company’s business, but the customer disagreed with that characterization. Agnihotri later repaid the customer the entire \$8,000.

The suspension is in effect from November 2, 2020, through November 1, 2021. ([FINRA Case #2019061440201](#))

Marcus Angelo Beasley ([CRD #3157595](#), Owings Mills, Maryland)

October 14, 2020 – An AWC was issued in which Beasley was assessed a deferred fine of \$12,500 and suspended from association with any FINRA member in all capacities for seven months. Without admitting or denying the findings, Beasley consented to the sanctions and to the entry of findings that he engaged in OBAs without providing prior written notice to his member firms. The findings stated that Beasley incorporated a limited liability company (LLC), serving as its CEO. Beasley personally invested \$40,000 in the LLC and attempted to establish it, through its website, as a financial services marketplace to provide financial counseling services and to connect subscribers with other financial services. In exchange, the LLC hoped to earn periodic subscriber fees. Beasley also incorporated a holding company whose stated purpose was to hold and trade assets of the LLC. Beasley falsely attested to one of his firms in written certifications that he was not engaging in any OBAs. Beasley also engaged in OBAs in connection with a ministry in which he served as the lead organizer and administrator. The ministry’s activities included speaking engagements to church audiences regarding financial investment subjects for which Beasley occasionally received fees as well as the marketing and sale of a financial services book he had written, for which he also occasionally received fees. Beasley initially did not disclose this business to any of his firms, but later he disclosed it to one of them.

The findings also stated that Beasley made a false statement to potential investors and subscribers in the LLC. While the LLC was soliciting potential partners and investors, Beasley stated on its website that based on industry standards and company projections, the average annual gross income for partners in the company was projected to be anywhere between \$500 and \$2,000. This statement was false and misleading, in that the LLC did not have any partners who generated any revenue at any time through the company and there was no factual basis for this income projection.

The findings also included that Beasley violated FINRA's content standards for communications with the public. Beasley established and maintained the LLC's website and published that it was a brokerage, financial advisory and consulting firm. Since the LLC was not a broker-dealer, Beasley's claim was false and misleading. Beasley solicited investors on an outside social media website to invest \$250,000 in the LLC in exchange for a 20 percent equity stake in the company. The solicitation was unclear about what type of transaction was being offered, or how it was structured, and therefore failed to provide a sound basis for evaluating the investment and omitted significant, material information, causing the communication to be misleading. The solicitation further did not properly identify or disclose the potential risks and investment considerations of the proposed investment. At no time thereafter did Beasley provide any additional information to potential investors about his investment proposal. In the same solicitation, Beasley stated that the LLC had partners across multiple states. This statement was false and misleading because the company did not have any partners.

The suspension is in effect from October 19, 2020, through May 18, 2021. ([FINRA Case #2019063229301](#))

Paul Francis Seymour ([CRD #2002154](#), Champlain, New York)

October 14, 2020 – An AWC was issued in which Seymour was fined \$5,000 and suspended from association with any FINRA member in all capacities for 10 business days. Without admitting or denying the findings, Seymour consented to the sanctions and to the entry of findings that he exercised discretion in customer accounts without written authorization from any of the customers and without his member firm having approved any of the accounts for discretionary trading.

The suspension was in effect from November 2, 2020, through November 13, 2020. ([FINRA Case #2019061646404](#))

Kevin Daniel Barletta ([CRD #4691033](#), Hopewell Junction, New York)

October 15, 2020 – An AWC was issued in which Barletta was fined \$5,000, suspended from association with any FINRA member in all capacities for two months, and required to attend and satisfactorily complete 20 hours of continuing education concerning unlisted REITS, suitability, recordkeeping requirements and ethical considerations. Without admitting or denying the findings, Barletta consented to the sanctions and to the entry of findings that he circumvented his member firm's WSPs in connection with prohibited cross trades of

alternative investment products by falsifying journal entry forms to effect unlisted REITs sales from one customer account to other customer accounts. The findings stated that Barletta instructed the sellers to sign one set of journal entry forms to transfer the shares, and the buyers to sign another set of forms to transfer cash payment for the shares. After the customers signed the forms, Barletta altered them to inaccurately describe the parties to the transactions as friends and the transfer of shares as gifts. All customers consented to the transactions and Barletta did not receive any commissions on them. Barletta's conduct prevented the firm from detecting the prohibited transactions and performing its suitability review. The findings also stated that Barletta's conduct caused the firm to create and maintain inaccurate books and records. In addition, Barletta's conduct caused the firm to fail to create trade tickets identifying the terms and conditions of the customers' orders, include the transactions in the firm's blotter, send customer confirmations, or properly identify the transactions on account statements as purchase and sales of securities.

The suspension is in effect from November 2, 2020, through January 1, 2021. ([FINRA Case #2017052828301](#))

Thomas Michael Rensvold (CRD #1477615, Westwood, New Jersey)

October 16, 2020 – An AWC was issued in which Rensvold was fined \$10,000 and suspended from association with any FINRA member in any principal capacity for one month. Without admitting or denying the findings, Rensvold consented to the sanctions and to the entry of findings that he failed to establish and implement an AML compliance program reasonably designed to detect and cause the reporting of suspicious activity. The findings stated that as his member firm's AMLCO, Rensvold had full responsibility for the firm's AML program and was responsible for monitoring its compliance with AML obligations, overseeing AML-related communication and training for employees, and filing Suspicious Activity Reports (SARs). Although the firm's business model changed dramatically, Rensvold did not take reasonable steps to establish and implement an AML program tailored to its new business lines. The AML procedures listed types of securities transactions that could be considered red flags, including wash or cross trades and transactions involving penny stock companies; however, there were no procedures as to how the firm would review for red flags related to its low-priced securities business. Further, Rensvold failed to reasonably train the firm's employees regarding how to conduct reviews for suspicious transactions. The firm's failure to implement an AML program reasonably tailored to its new business lines resulted in potentially suspicious transactions going undetected. In the instances when the firm's clearing firm contacted Rensvold about suspicious trades, he still did not review the trading or account information. Instead, Rensvold instructed the operations manager to contact the customer for an explanation and then forward the response to the clearing firm without conducting any additional due diligence.

The suspension is in effect from November 16, 2020, through December 15, 2020. ([FINRA Case #2017052478901](#))

Troy Robert Baily (CRD #4458930, Omaha, Nebraska)

October 19, 2020 – An AWC was issued in which Baily 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, Baily consented to the sanctions and to the entry of findings that he engaged in undisclosed and unapproved private securities transactions in the total amount of \$210,000. The findings stated that Baily solicited investors to purchase securities in an LLC that represented itself as a structured cash flow investment, claiming to purchase pensions at a discount from pensioners and then selling a portion of those pensions as a pension stream to investors. Baily sold purchase agreements to investors, including three who were customers of his member firm. Baily received a total of \$8,900 in commissions in connection with these transactions. Subsequently, the company ceased business, owing nearly \$300 million in unpaid investor payments. In an indictment, the United States charged the company and its owner with conspiracy to engage in mail and wire fraud related to the company's operations.

The suspension is in effect from October 19, 2020, through April 18, 2021. ([FINRA Case #2019063916701](#))

John Henry Geary (CRD #853462, Palmyra, New Jersey)

October 19, 2020 – An AWC was issued in which Geary was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 30 days. Without admitting or denying the findings, Geary consented to the sanctions and to the entry of findings that he exercised discretion while effecting a stock sale in a customer's account without written authorization. The findings stated that Geary sold shares of a stock from a customer's brokerage account without discussing the transaction with the customer on the date of the trade. Unbeknownst to Geary, the customer had passed away two days before he effected the transaction. The findings also stated that Geary willfully failed to timely amend his Form U4 to disclose that he was the subject of tax liens totaling approximately \$146,000. The Internal Revenue Service released all of Geary's tax liens after he satisfied his tax liabilities.

The suspension was in effect from October 19, 2020, through November 17, 2020. ([FINRA Case #2019062616701](#))

Travis R. Nelson (CRD #6018906, Merrick, New York)

October 19, 2020 – An AWC was issued in which Nelson was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 19 months. Without admitting or denying the findings, Nelson consented to the sanctions and to the entry of findings that in an attempt to effect higher value transfers requested by a customer, he signed the customer's signature on a letter he drafted to request an increased fund transfer limit for the customer without the customer's authorization. The findings

stated that during the course of FINRA's investigation regarding his alleged signing of the customer's signature, Nelson provided false statements to FINRA regarding his conduct. Nelson subsequently recanted his false statements in a declaration provided to FINRA.

The suspension is in effect from October 19, 2020, through May 18, 2022. ([FINRA Case #2019063005301](#))

Norman Stanley Batansky (CRD #834388, Boca Raton, Florida)

October 23, 2020 – An AWC was issued in which Batansky was fined \$7,500 and suspended from association with any FINRA member in all capacities for 30 days. Without admitting or denying the findings, Batansky consented to the sanctions and to the entry of findings that he participated in a private securities transaction by facilitating a \$50,000 investment by his son in a convertible promissory note without providing prior written notice to his member firm. The findings stated that Batansky forwarded his son, a firm customer, an email concerning an investment opportunity in a privately held medical device company. Attached to the email was an investor overview, convertible note term sheet and a subscription agreement. Using his personal email account, Batansky sent the company's placement agent his son's residential address and date of birth. Batansky used his personal email account to inform the placement agent that his son intended to invest \$50,000 in the company. Batansky asked his sales assistant to email the placement agent a scanned copy of his son's signed subscription agreement for his investment, a completed investor profile and questionnaire, and a W-9 tax form. Batansky thereafter arranged through his branch office's operations department to wire \$50,000 from his son's brokerage account to his personal bank account. Batansky prepared and emailed his son a draft letter of instruction to his bank to wire the funds from his account to the company's bank account, and his son completed his investment in the company. Batansky did not receive any compensation in connection with his son's investment. Batansky falsely attested in a compliance questionnaire that he had not participated in any private securities transactions. The findings also stated that Batansky used his personal email account to send securities-related emails that were not monitored or retained by the firm. Batansky attested in compliance questionnaires that he understood that he must use firm or approved email addresses for all business-related communications with all clients and prospects.

The suspension is in effect from November 16, 2020, through December 15, 2020. ([FINRA Case #2019062003101](#))

Lewis Nelson Lester Sr. (CRD #1773617, Cumming, Georgia)

October 26, 2020 – An AWC was issued in which Lester was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for one year. Without admitting or denying the findings, Lester consented to the sanctions and to the entry of findings that he participated in private securities transactions without providing prior written notice to his member firm. The findings stated that

Lester participated in the private securities transactions by facilitating additional sales of ownership units in an LLC that provided consulting services to credit unions. Lester's participation in these sales was outside the regular course and scope of his employment with his firm. Lester did not receive any commissions or other payments for his role in these transactions.

The suspension is in effect from November 2, 2020, through November 1, 2021. ([FINRA Case #2020065050501](#))

Douglas William Stopkey (CRD #2209717, Richmond, Virginia)

October 26, 2020 – An AWC was issued in which Stopkey was suspended from association with any FINRA member in all capacities for 30 days. In determining the appropriate sanctions in this matter, FINRA considered, among other factors, that Stopkey previously paid a fine of \$10,000 and costs of \$5,000 to the Commonwealth of Virginia. Without admitting or denying the findings, Stopkey consented to the sanction and to the entry of findings that he exercised discretion in accounts owned by senior customers without first speaking with the customers and without his member firm having approved the accounts as discretionary. The findings stated that the customers orally authorized Stopkey to exercise discretion in their accounts. In addition, on firm compliance questionnaires, Stopkey inaccurately stated that he had not utilized time or price discretion, or entered trade orders prior to speaking with a client, in a client account. Further, in response to the firm's inquiry into one of the subject trades, Stopkey inaccurately suggested that the trade was the customer's idea. None of the customers complained and Stopkey admitted his misconduct to FINRA. The findings also stated that Stopkey caused the firm to maintain inaccurate books and records by marking order tickets for trades in the customer accounts as unsolicited although he did not discuss the trades with the customers.

The suspension is in effect from November 16, 2020, through December 15, 2020. ([FINRA Case #2018059872901](#))

David Allen Walters (CRD #1436760, Laguna Beach, California)

October 27, 2020 – An AWC was issued in which Walters 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, Walters consented to the sanctions and to the entry of findings that he participated in private securities transactions without providing prior written notice to his member firm. The findings stated that individuals invested a total of \$450,000 in exchange for Series A Preferred Units of a company for which Walters served as executive chairman. The investors were directed to mail their completed subscription documents and subscription payment to Walters, or to evidence to him that their payment was wired directly to the company. Further, investors were told to direct any questions about their subscriptions to Walters by mail, phone or email. Walters emailed the term sheet and the master financial projections for the company to an investor less than a month before his investment. Walters signed the subscription agreement for

each of the investors in his capacity as executive chairman. Walters did not receive selling compensation, and none of the investors was a customer of the firm. Walters' participation in the private securities transactions was outside the regular course and scope of his employment with the firm. While Walters disclosed the company to his firm as an OBA, he told the firm that the source of its capital would be personal assets rather than investments by third parties.

The suspension is in effect from November 2, 2020, through March 1, 2021. ([FINRA Case #2018060587101](#))

William Thomas Burke ([CRD #1343203](#), New York, New York)

October 28, 2020 – An AWC was issued in which Burke 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, Burke consented to the sanctions and to the entry of findings that he participated in a family-run construction and real-estate business without providing prior written notice to his member firm. The findings stated that Burke disclosed the venture to personnel at the firm, but only in a single, brief oral conversation, without submitting the firm's required OBA disclosure form. In his oral disclosure, Burke stated he would merely invest in the business, leading firm personnel to believe that he would be a passive investor, when he was not. Notably, Burke did not disclose that he would be the company's sole managing member and tax matters partner, have signatory authority over its financial accounts, devote approximately five to 10 hours per month to its business, supervise its activities, and participate in strategic business decisions.

The suspension was in effect from November 2, 2020, through December 1, 2020. ([FINRA Case #2019062695601](#))

Andrew Joseph LeBlanc II ([CRD #2607117](#), Summit, New Jersey)

October 28, 2020 – An AWC was issued in which LeBlanc was fined \$20,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, LeBlanc consented to the sanctions and to the entry of findings that he participated in private securities transactions involving \$1.75 million in sales to customers without providing written notice to his member firm. The findings stated that LeBlanc used the firm's email system to participate in these transactions. LeBlanc was instructed by two of his clients to pay for the investments from their firm accounts. LeBlanc also discussed the investments with executives of the companies, the customers and the customers' attorney. Although the companies are still operating, the customers are unlikely to receive any return on these investments. LeBlanc did not receive any compensation for his participation in the transactions. The findings also stated that LeBlanc failed to list his involvement with these private investments on firm annual certifications calling for him to disclose his involvement with securities transactions away from the firm.

The suspension is in effect from November 16, 2020, through May 15, 2021. ([FINRA Case #2017054722701](#))

Timothy Aaron Engelmann ([CRD #4933563](#), Albuquerque, New Mexico)

October 30, 2020 – An AWC was issued in which Engelmann 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, Engelmann consented to the sanctions and to the entry of findings that without his member firm’s knowledge or approval, he borrowed a total of \$115,000 from two firm customers through an LLC he partly owned. The findings stated that Engelmann borrowed the funds to finance real estate ventures. The terms of the loans were set forth in promissory notes. In addition, Engelmann falsely stated on firm compliance questionnaires that he had not borrowed money from any firm customer. Engelmann has fully and timely repaid the loan from the first customer and has made all payments due to the second customer to date, as required by the promissory note.

The suspension is in effect from November 2, 2020, through March 1, 2021. ([FINRA Case #2019064775801](#))

Complaints 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 the allegations in the complaint.

Matthew R. Logan ([CRD #5366984](#), Braintree, Massachusetts)

October 7, 2020 – Logan was named a respondent in a FINRA complaint alleging that he cheated on his FINRA Regulatory Element continuing education exam by directing his assistant to complete the exam on his behalf by using his log-on credentials. The complaint alleges that Logan also directed his assistant to complete three other continuing education exams on his behalf. When Logan’s firm confronted him with evidence of his test cheating, Logan lied to the firm by denying that he cheated or that his assistant took these exams on his behalf. ([FINRA Case #2019063570502](#))

Paramveer Singh ([CRD #5224401](#), New York, New York)

October 30, 2020 – Singh was named a respondent in a FINRA complaint alleging that he converted and misused \$20,767.96 of his member firm’s funds. The complaint alleges that Singh intentionally charged personal expenses at an adult entertainment establishment to his firm corporate credit card knowing that his firm had the financial responsibility to pay for these charges. Singh’s use of the firm’s corporate credit card in this manner was

not authorized or consistent with firm policy. The firm paid the credit card company for these charges and Singh never returned the funds to the firm. Singh called the corporate credit card call center because certain charges on his firm corporate credit card at the adult establishment were declined. Singh's call to the call center was recorded. During the call, Singh verified his identity and provided specific details about his corporate credit card, including the card's credit limit and his email address on file. Later, Singh again called the call center and claimed that he had lost his firm corporate credit card at the adult establishment. Singh claimed that the charges at the adult establishment were fraudulent. In addition, during phone interviews the firm conducted of Singh, he falsely informed it that the charges were fraudulent and that his corporate credit card had been stolen.

The complaint also alleges that Singh made improper use of the firm's funds by misusing the corporate credit card in this manner. The complaint further alleges that Singh provided false or misleading information to FINRA by submitting a response to its request for information that denied using the firm corporate credit card at the adult establishment and denied calling the call center regarding the declined charges. In addition, the complaint alleges that Singh provided false or misleading information to FINRA during his on-the-record testimony. Singh testified that he did not make or authorize the charges on his firm corporate credit card at the adult establishment. Singh also testified that it was not him who made the recorded call to the call center after hearing the audio recording. ([FINRA Case #2019064313901](#))

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

Capital Financial Services, Inc. (CRD #8408)
Minot, North Dakota
(October 1, 2020)

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
(October 8, 2020)

Firm 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 9554

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

Capital Financial Services, Inc. (CRD #8408)
Minot, North Dakota
(October 15, 2020)

FINRA Arbitration Case #19-01377 Individual Revoked for Failure to Pay Fines and/or Costs Pursuant to FINRA Rule 8320 (If the revocation has been rescinded, the date follows the revocation date.)

Richard Dwayne Blair (CRD #2256412)
The Woodlands, Texas
(October 15, 2015 – October 13, 2020)
FINRA Case #2011027271901

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.)

Michael P. Albarella (CRD #6234333)
Floral Park, New York
(October 26, 2020)
FINRA Case #2020065994601

Dean Allen Grosskreutz (CRD #4211575)
Cleveland, Tennessee
(October 26, 2020)
FINRA Case #2020065968701

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.)

Jamie Silber Bennett (CRD #2740248)
Sherman Oaks, California
(September 3, 2019 – October 23, 2020)
FINRA Case #2019061763301

Chelsea Kayla Flohr (CRD #6637430)

Melbourne, Florida
 (October 16, 2020)
 FINRA Case #2020065292401

Jon Marshall Foster (CRD #6493287)

Virginia Beach, Virginia
 (October 19, 2020)
 FINRA Case #2020067003101

Mark Edward Grenier (CRD #2372542)

Bethany, Connecticut
 (October 26, 2020)
 FINRA Case #2019063686201

Dorinda L. Lumpkin (CRD #5687234)

Gadsden, Alabama
 (October 26, 2020)
 FINRA Case #2020067150401

Jorge Baptista Pica (CRD #6191997)

Winthrop, Massachusetts
 (October 30, 2020)
 FINRA Case #2020065968301

Aaron Stephen Pierett (CRD #6113551)

Johnson City, Tennessee
 (October 19, 2020)
 FINRA Case #2020066084301

Alexander Edward Walker (CRD #6164661)

Fort Thomas, Kentucky
 (May 1, 2020 – October 22, 2020)
 FINRA Case #2018060213201

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.)

Katie Rebecca Blando (CRD #5805277)

San Diego, California
 (October 15, 2020)
 FINRA Arbitration Case #14-02598

Thomas John Marino (CRD #4438533)

Jupiter, Florida
 (October 27, 2020)
 FINRA Arbitration Case #19-00968

Narinder Kaur Singh (CRD #3100308)

Elk Grove, California
 (October 27, 2020)
 FINRA Arbitration Case #19-02711