

Disciplinary and Other FINRA Actions

Firm Fined, Individual Sanctioned

Emerson Equity LLC (CRD® #130032, San Mateo, California) and Dominic Julio Baldini (CRD #3082081, Hillsborough, California)
December 22, 2021 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured, fined \$60,000 and ordered to pay \$1,641,929.94, plus interest, in restitution to customers. Baldini was fined \$5,000 and suspended from association with any FINRA® member in any principal capacity for 20 business days. Without admitting or denying the findings, the firm and Baldini consented to the sanctions and to the entry of findings that they failed to establish, maintain and enforce a supervisory system, including written procedures, reasonably designed to achieve compliance with FINRA Rule 2111, FINRA’s suitability rule, as it pertains to short-term trading of mutual fund Class A and Class B shares, and further failed to reasonably supervise short-term mutual fund trading activity by one of the firm’s registered representatives. The findings stated that the firm and Baldini’s review of mutual fund transactions was limited to Baldini’s manual review of a daily order/ trade status report that lacked critical information such as the mutual fund share class, the mutual fund holding period, mutual fund sales charges and investor profiles that would have allowed the firm and Baldini to detect that the representative was engaged in unsuitable mutual fund trading. The firm did not use any exception reports or other tools to review mutual fund trading activity for suitability. As a result, the representative’s unsuitable trading in his customers’ accounts continued unabated for more than five years, causing the customers to incur front-end loads and/or contingent deferred sales charges of \$1,641,929.94. In addition, the representative engaged in frequent mutual fund switching, which occurs when a customer sells mutual fund shares and reinvests the proceeds in another mutual fund family, thus incurring additional charges and commissions. The firm paid \$1,613,168.28 in restitution prior to the effective date of the AWC.

The suspension was in effect from January 18, 2022, through February 14, 2022. ([FINRA Case #2020066078202](#))

Firms Fined

Citigroup Global Markets Inc. (CRD #7059, New York, New York)
December 2, 2021 – An AWC was issued in which the firm was censured and fined \$375,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to amend, timely or at all, the Uniform Application for Securities Industry Registration or Transfers (Form U4s) of some of its registered

Reported for February 2022

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).

representatives to disclose unsatisfied tax liens and judgments and failed to establish and maintain a supervisory system and written supervisory procedures (WSPs) reasonably designed to ensure that it disclosed unsatisfied liens or judgments of representatives on Form U4s when the firm received a wage garnishment order. The findings stated that the firm failed to conduct a sufficient inquiry to determine if the underlying event triggering each garnishment order involved a disclosable event that should have been reported on the representative's Form U4. The firm failed to file the required Form U4 amendments, or filed them late, because although it had a system in place to determine whether the wage garnishment orders arose from a disclosable lien or judgment, the system was not reasonably designed. When it received a wage garnishment order, the firm would contact the representative and rely on the representative's determination whether the wage garnishment order was the result of a reportable event. The firm did not conduct a further inquiry, nor did it do an independent review to determine if the underlying event triggering each garnishment order involved a disclosable event. The firm has subsequently revised its supervisory system, including written procedures, to address the deficiencies addressed in this AWC. ([FINRA Case #2020067388401](#))

Ecoban Securities Corporation ([CRD #29112](#), New Rochelle, New York)

December 3, 2021 – An AWC was issued in which the firm was censured, fined \$40,000 and required to certify that it has implemented supervisory systems and WSPs reasonably designed to address the deficiencies identified in this AWC. 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, reasonably designed to supervise its representatives' use of non-firm email for firm business communications and failed to comply with recordkeeping obligations. The findings stated that the firm's WSPs did not provide any limitations on the use of non-firm email by representatives, while stating that all firm email, as well as designated non-firm email, was to be reviewed using a third-party system. The WSPs, however, did not provide any guidance regarding how such emails would be designated and captured by the third-party system nor did the firm take any steps to ensure that the representatives who were using non-firm email addresses copied a firm email on their business-related communication so that the communication was captured by the third-party system. As a result, the firm failed to capture and review some of its representatives' firm securities business communications sent via non-firm email and failed to review and preserve the emails. The findings also stated that the firm failed to establish and maintain a supervisory system reasonably designed to supervise outside brokerage accounts. The firm failed to collect duplicate outside brokerage account statements from outside brokerage accounts for six representatives. As a result of the firm's failure to collect these statements, the firm was unable to perform a reasonable review for any unacceptable trading practices, including insider trading and front running.

The firm also failed to include on the restricted product list a private offering in which the firm participated and failed to distribute its restricted product list to all of its representatives. The findings also included that the firm failed to establish and maintain a supervisory system reasonably designed to supervise outside business activities (OBAs) and private securities transactions. The firm received verbal notice from certain representatives regarding their OBAs and private securities transactions during the firm's onboarding process, but it did not follow-up to obtain further detail or written submissions regarding these activities in order to evaluate whether they presented any conflicts with firm business, involved customers or presented any additional issues. As a result, the firm failed to review and evaluate OBAs and private securities transaction activities for some of its representatives. FINRA also found that the firm failed to have a reasonable supervisory system and WSPs regarding conducting supervisory control testing and chief executive officer (CEO) annual certification. The firm's WSPs did not describe the firm's obligation to submit to management at least annually a report detailing the firm's system of supervisory controls and the related requirements of FINRA Rule 3120(a). In addition, the firm did not test or report to senior management on its supervisory controls or procedures, nor did the firm's CEO prepare an annual certification. ([FINRA Case #2020065096501](#))

Wells Fargo Advisors Financial Network, LLC ([CRD #11025](#), St. Louis, Missouri) and Wells Fargo Clearing Services, LLC ([CRD #19616](#), St. Louis, Missouri)

December 6, 2021 – An AWC was issued in which the firms were censured and fined \$2,250,000, jointly and severally. Without admitting or denying the findings, the firms consented to the sanctions and to the entry of findings that they failed to store records related to their customer identification program (CIP)—an integral part of an anti-money laundering (AML) program—in the required non-erasable and non-writable format, known as “write once, read many” (WORM) format. The findings stated that firm personnel discovered that the firms were storing records related to the firm's CIP on a system that was not WORM-compliant and advised an internal working group that addressed books and requirements of the issue. The working group concluded that the issue should be escalated to determine if it needed to be reported to FINRA. However, the issue was not escalated to the firms' working group that considered FINRA reporting obligations, and the firms did not report it to FINRA or remediate it at that time. The firms continued to store CIP records on the non-WORM compliant platform for more than three years. Approximately 13 million CIP-related records, pertaining to approximately 8.2 million customers, were stored on the non-WORM compliant platform, with approximately 4 million documents having been stored on the firms' non-WORM compliant platform after the firms discovered the issue. In addition, the firms failed to notify FINRA, their designated examining authority, at least 90 days prior to using the non-WORM compliant platform on which they stored the CIP-related records. ([FINRA Case #2020066327501](#))

American Portfolios Financial Services, Inc. ([CRD #18487](#), Holbrook, New York)
December 10, 2021 – An AWC was issued in which the firm was censured, fined \$225,000 and required to certify that it has established and implemented policies, procedures and internal controls reasonably designed to address and remediate the issues identified in the AWC. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that its supervisory system and WSPs were not reasonably designed to achieve compliance with its obligation to monitor transmittals of customer funds to third parties and it failed to enforce its existing WSPs relating to such transmittals of customer funds. The findings stated that as a result, a sales assistant associated with the firm converted approximately \$390,000 of customer funds through check disbursements and wire transfers. Most of the affected customers were senior citizens. The checks were issued to third parties at addresses associated with the sales assistant's family members and the wire transfers were to accounts controlled by the sales assistant's family members. After the firm enhanced its procedures around wire transfers, the sales assistant ceased using wires and instead used checks to implement her scheme. Most notably, the sales assistant caused checks totaling approximately \$340,000 to be issued from customer accounts to the same entity she and her family controlled. In connection with each third-party check or wire, the sales assistant falsified the customer authorization form and forged the customer's signature. After learning about the theft from a customer's daughter, the firm fired the sales assistant and reimbursed all affected customers. The firm had considered previously, but declined to adopt, an exception report for transmittals from multiple customer accounts to the same third party after it discovered similar misconduct by a registered representative. In addition, the firm failed to enforce its procedures as it did not require or maintain records of signature verification identified in its WSPs, including as it related to the authorization documents falsified by the sales assistant. ([FINRA Case #2018060968102](#))

Wells Fargo Advisors Financial Network, LLC ([CRD #11025](#), St. Louis, Missouri) and Wells Fargo Clearing Services, LLC ([CRD #19616](#), St. Louis, Missouri)
December 13, 2021 – An AWC was issued in which Wells Fargo Advisors Financial Network, LLC was censured, fined \$100,000 and ordered to pay \$375,137.67, plus interest, in restitution to customers and Wells Fargo Clearing Services, LLC was censured, fined \$550,000 and ordered to pay \$2,083,624.66, plus interest, in restitution to customers. Without admitting or denying the findings, the firms consented to the sanctions and to the entry of findings that they failed to establish and maintain a supervisory system that was reasonably designed to achieve compliance with FINRA Rule 2111, FINRA's suitability rule, as it pertains to early rollovers of UITs. The findings stated that the firms had an automated report that flagged sales of a mutual fund or UIT followed within 25 days by a purchase of any of those same products, and in the ordinary course the firms sent switch letters

to customers when this report was generated. But that report did not account for the length of time a UIT was held before it was sold. As a result, the firms did not have any automated system to identify when UITs were rolled over significantly in advance of their maturity date even though the firms' WSPs recognized that UITs should generally be held to maturity. As such, the firms failed to detect that their representatives recommended potentially unsuitable early series-to-series rollovers. The firms failed to detect that their representatives repeatedly recommended other potentially unsuitable early UIT rollovers which, even if not series-to-series, caused customers to pay unnecessary sales charges. Collectively, these early UIT rollovers may have caused customers to pay \$2,458,762.33 in sales charges that they would not have incurred had they held the UITs until their maturity dates. ([FINRA Case #2016050947801](#))

RBC Capital Markets, LLC ([CRD #31194](#), New York, New York)

December 15, 2021 – An AWC was issued in which the firm was censured, fined \$550,000 and ordered to pay \$456,155, plus interest, in restitution to customers. 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, reasonably designed to achieve compliance with FINRA and Municipal Securities Rulemaking Board (MSRB) rules with respect to its registered representatives' recommendations of high-yield corporate and municipal bonds. The findings stated that the firm's policies and procedures did not sufficiently address the suitability factors that representatives should consider before recommending high-yield bonds. The procedures did not include guidance as to how much of a customer's portfolio should be invested in these products based on the customer's investor profile. The findings also stated that the firm used two automated alerts, a daily alert and a monthly alert, to identify potentially unsuitable concentrations of high-yield bonds in customer accounts, but neither alert functioned as intended. After the firm changed the tax coding of municipal bonds in its system, it inadvertently disabled the ability of the high-yield bond alerts to identify potential concentration issues for further assessment. In addition, the firm did not detect that these alerts were not working, in part, because the firm did not test its alerts. Once the firm first discovered that the alerts were defective, it did not fix the alerts until ten months later. During this period, the firm did not adopt alternative measures to identify potentially unsuitable concentrations in high-yield bonds. Furthermore, the firm did not notify supervisors that the alerts were not working as intended and that they could not rely on the alerts for their review. As a result, the firm failed to review customer accounts with conservative profiles for potentially unsuitable concentrations of high-yield bonds. In a number of those accounts, the holdings in high-yield bonds were more than six times the thresholds set by the firm. ([FINRA Case #2017054432703](#))

SagePoint Financial, Inc. ([CRD #133763](#), Phoenix, Arizona)

December 17, 2021 – An AWC was issued in which the firm was censured, fined \$700,000 and required to certify that it has implemented supervisory systems and WSPs reasonably designed to address the conduct addressed in this AWC; reviewed the conduct of each associated person the firm disciplined from January 1, 2013, to the present; and has made all reports required by FINRA Rule 4530(b). 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, including WSPs, reasonably designed to supervise associated persons with histories of industry and regulatory-related misconduct. The findings stated that the firm did not clearly delineate who was responsible for imposing disciplinary action. The firm divided responsibility for imposing discipline between its supervisory personnel and compliance personnel. The firm’s supervision regional vice presidents, who supervised associated persons in specific geographic regions, were assigned responsibility in the firm’s WSPs to determine discipline and heightened supervision for the associated persons they supervised. However, the firm also maintained other written procedures allowing the compliance department to make similar decisions without involving supervision regional vice presidents. In practice, the firm’s supervision and compliance departments routinely decided how to respond to disciplinary matters without consulting each other. This resulted in a fragmented supervisory system leading, in some instances, to confusion about who would act, such that both field supervision and compliance deferred to the other without either responding reasonably to impose heightened supervision or increased discipline on associated persons who had a history of misconduct. The findings also stated that the firm’s disciplinary recordkeeping was haphazard and fragmented. The firm had no written procedures concerning what information to record about internal discipline or where to store such information. In practice, the firm’s field supervision and compliance departments tracked internal disciplinary matters in separate databases. Neither department recorded the other’s disciplinary actions, and neither could access the other’s databases. Furthermore, many firm disciplinary matters were not recorded in those or any other database. Consequently, firm personnel issued discipline without complete information about those associated persons’ patterns of disciplinary violations, failures to respond to prior firm discipline, or disregard of firm directives or regulatory requirements. The findings also included that the firm failed to establish and maintain a system reasonably designed to comply with the firm’s obligations to report to FINRA multiple instances of violative misconduct by associated persons. The firm’s WSPs did not provide any guidance about how to evaluate whether associated persons had engaged in multiple instances of violative conduct, and the firm’s fragmented recordkeeping practices precluded accurate assessments of whether multiple instances of such conduct had occurred. In practice, the firm did not assess whether associated persons’ conduct amounted to multiple instances of violative conduct that required reporting under

FINRA Rule 4530(b), and the firm has made no such reports under Rule 4530(b) since 2013. FINRA found that for numerous associated persons with repeat disciplinary histories, the firm failed to impose heightened supervision or appropriate discipline or consider reporting under FINRA Rule 4530(b). The firm disciplined 11 associated persons at least 110 times in total and cited them, without discipline, for numerous other violations. The firm's systemic supervisory failures resulted in the firm failing to impose heightened supervision on any of those 11 associated persons despite their disciplinary histories. On the limited occasions when the firm fined those 11 associated persons, the fines were not tailored to the associated persons' histories of misconduct. ([FINRA Case #2019062873301](#))

Merrill Lynch, Pierce, Fenner & Smith Incorporated ([CRD #7691](#), New York, New York)

December 20, 2021 – An AWC was issued in which the firm was censured, fined \$950,000 and ordered to certify that it has completed a review of its policies, procedures and systems regarding the monitoring of transmittals of customer funds, and that they are reasonably designed to achieve compliance with applicable securities laws, regulations and FINRA rules. The firm has already made restitution to the customers affected in the transactions. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to reasonably supervise the transmittal of customer funds via externally-initiated automated clearing house (ACH) transfers. The findings stated that the firm's system to review and monitor the transmittal of customer funds via ACH transfers was not reasonably designed to identify improper transfers from customer accounts by the firm's registered representatives. The firm did not systematically screen ACH transfers to detect instances in which one of its representatives was the beneficiary of a transfer of funds from a customer's account. Rather, the firm monitored ACH transactions through an internal fraud-detection system designed to detect fraud by third parties. Based on the parameters set by the firm, this system flagged ACH transactions for review by the firm's fraud unit. In certain circumstances, the fraud unit was required to compare the customer's name with the payee name and, if the fraud unit could not clear a transaction for processing based on the guidance provided by the firm, it escalated the transaction through an email to the representative assigned to the customer account. The representative was then responsible for validating that the transaction had been initiated by the customer. Thus, despite being aware that one of its representatives had converted customer funds via externally initiated ACH transfers, the firm's supervisory system was not reasonably designed to identify such theft. Subsequently, the firm conducted a review of its controls and developed a tool to monitor externally initiated ACH transfers that are made for the benefit of certain firm personnel, including the representative assigned to the customer's account. When the firm ran the tool for the first time, it discovered a representative's conversion of millions of dollars of

customer funds via ACH transfer. As a result, the firm failed to detect that two of its representatives were able, in separate schemes that ran for multiple years, to steal in excess of \$6 million from firm customers. ([FINRA Case #2018057201801](#))

Merrill Lynch, Pierce, Fenner & Smith Incorporated ([CRD #7691](#), New York, New York)

December 20, 2021 – An AWC was issued in which the firm was censured, fined \$1,200,000 and required to certify that it has reasonably established and implemented policies, procedures, processes and internal controls reasonably designed to address and remediate the issues identified in the AWC. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to produce timely and complete productions in connection with FINRA's investigations of two brokers at the firm. The findings stated that three customers alleged in separate arbitrations that one broker had engaged in unauthorized and excessive trading, unsuitable recommendations and other sales practice violations. The firm settled with these customers. As part of its investigation, FINRA issued a request to the firm seeking, among other things, telephone records, notes of meetings with customers and account opening documents. The firm failed to produce or timely produce responsive telephone records with some of the customers because the firm's vendor destroyed those documents as part of the vendor's policy to periodically delete records older than three years. In addition, the firm failed to timely produce all meeting notes between the broker and a customer because it did not immediately identify the documents as responsive to FINRA's request. Over two years after FINRA's initial request, the firm made a final production that overlapped in part with past production, but also included new, responsive documents, including account opening documents. These documents were material to FINRA's investigation of the alleged misconduct by the broker. The findings also stated that the firm failed to timely produce documents in connection with FINRA's investigation of a second broker at the firm. A customer alleged that the second broker participated in a series of failed investments away from the firm. The firm also settled with this customer. As part of its investigation, FINRA issued a request to the firm seeking, among other documents, emails related to the second broker's potential selling away as well as records concerning the firm's supervisory review of the broker's emails. The firm produced some responsive emails nearly two years after the date of FINRA's initial request showing that the broker was facilitating customer outside investments in projects not approved by the firm. FINRA raised concerns about apparent omissions in the firm's production, and the firm produced additional records, including emails sent or received by the broker that were flagged by the firm's supervisory system. The new materials showed that the firm had flagged certain of the broker's emails, which contained red flags for potential misconduct, for supervisory review and thus were relevant to FINRA's investigation. ([FINRA Case #2018058015702](#))

Tor Brokerage LLC ([CRD #135274](#), North Bergen, New Jersey)

December 20, 2021 – An AWC was issued in which the firm was censured and fined \$10,000. 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 failed to supervise and record on its books and records approximately \$4 million in private securities transactions. The findings stated that two registered representatives associated with the firm participated in the sale of membership interest in a limited liability company that was a part owner of the firm. The representatives also held membership interests in, and were executives of, the company. The representatives disclosed their employment with the company upon associating with the firm. In addition, the representatives received compensation of \$5,000 per month from the company and were also entitled to receive a portion of any profits distributed by the company to its owners. The firm was aware of its representatives' participation in the private securities transactions, that the representatives were receiving compensation from the company and that the representatives owned membership interests in the company. Nevertheless, the firm erroneously concluded that the representatives were not receiving selling compensation in connection with the private securities transactions. As a result, the firm did not supervise the private securities transactions or record the transactions on its books and records, and the firm failed to reasonably enforce its own WSPs. ([FINRA Case #2020066583201](#))

GBM International, Inc. ([CRD #28684](#), Houston, Texas)

December 21, 2021 – An AWC was issued in which the firm was censured, fined \$250,000 and required to certify that it has established systems and procedures reasonably designed to achieve compliance with its AML obligations. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and implement an AML program that could be reasonably expected to detect and cause the reporting of suspicious activity. The findings stated that the firm had written AML procedures that required it to monitor for red flags of potentially suspicious activity. The firm's AML procedures indicated that when the firm detected any red flags of suspicious activity, it would determine whether and how to investigate further and take steps that included gathering additional information internally or from third parties, contacting the government, freezing the account, or filing a Suspicious Activity Report (SAR). In certain instances, the firm did not implement those measures which resulted in its failure to reasonably investigate numerous instances of suspicious activity. In addition, the firm opened four accounts deemed to be high-risk by domestic and international AML agencies. However, the firm noted that these accounts were not incorporated in or operated from high-risk locations. Two of the accounts had the same beneficial owner, despite being opened in the name of different entities, both of which were incorporated in high-risk locations. Both accounts had certain wire

activity that appeared on one of the firm's daily reports, however the firm failed to reasonably investigate the purpose of the transactions and assess whether the activity was suspicious. Another account triggered several red flags highlighted in the firm's AML procedures. The account's transactions often appeared on two of the firm's reports, however the firm again failed to reasonably investigate the transactions to determine the purpose of the transactions and assess whether the transactions were suspicious. Despite the existence of numerous AML red flags, the firm failed to reasonably investigate or respond to them, as appropriate. ([FINRA Case #2017054878001](#))

SunTrust Robinson Humphrey, Inc. nka Truist Securities, Inc. ([CRD #6271](#), Atlanta, Georgia)

December 21, 2021 – An AWC was issued in which the firm was censured and fined \$150,000. 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, including WSPs, reasonably designed to achieve compliance with the firm's obligation to review correspondence and internal communications. The findings stated that the firm failed to review certain emails flagged for review by the firm's automated system. The firm's email review system had a filter setting that limited the length of time flagged emails remained in the review set for supervisory review, meaning that emails not reviewed within two weeks dropped out of the supervisory review set. After the firm became aware of the electronic communications dropping out of the review set, it expanded the filter setting so that unreviewed emails stayed in the review set for three months. Subsequently, the firm adopted an electronic communications surveillance system that prevented emails flagged for review from dropping out of the review set. The findings also stated that the firm failed to review certain Bloomberg email messages of associated persons. The firm failed to ensure newly onboarded employees' Bloomberg email addresses fed into the email review system, which resulted in the firm failing to review messages from Bloomberg email messaging accounts of associated persons. The firm's WSPs required a regular review for new Bloomberg addresses and submission of a technology ticket to link the Bloomberg account to the associated person's profile. Because the firm did not consistently implement its procedure, the firm failed to include Bloomberg email addresses in the information technology profiles of its associated persons during the onboarding process. This resulted in the firm's email server, which fed into the firm's email review system, not capturing emails from certain Bloomberg email addresses. After discovering instances of the failure, the firm did not implement new procedures until almost two years later. After conducting an end-to-end review, the firm implemented a weekly reconciliation of email account information from Bloomberg to the firm's email review system. ([FINRA Case #2018056299001](#))

Intesa Sanpaolo IMI Securities Corp. (CRD #19418, New York, New York)

December 22, 2021 – An AWC was issued in which the firm was censured and fined \$650,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish an AML compliance program reasonably designed to detect, monitor, and cause the reporting of potentially suspicious activity relating to low-priced securities transactions. The findings stated that the firm initially had no systems to monitor for suspicious activity involving equity trading. Although the firm later implemented new monitoring systems, these systems were not reasonably designed to detect red flags typically associated with low-priced securities transactions. The findings also stated that the firm's written AML procedures did not accurately reflect the firm's actual AML monitoring procedures and also failed to discuss significant red flags associated with low-priced securities trading. In addition, the written AML procedures instructed firm employees to send SARs to a third-party site that was no longer in use. The findings also included that the firm failed to detect or investigate suspicious activity involving low-priced securities transactions. Despite red flags of suspicious activity, the firm failed to detect or investigate them or file SARs when it would have been appropriate to do so. FINRA found that the firm failed to timely address deficiencies in its AML program identified in audits. An internal audit of the firm's AML program resulted in recommendations that the firm make changes to its AML program, including by updating its written AML procedures to accurately reflect the firm's actual procedures for monitoring suspicious activity and by implementing an enhanced AML program. However, the firm failed to implement these recommendations. A subsequent internal audit rated the firm's AML risk as "high" and reiterated the recommendations made in the initial audit. Nonetheless, the firm failed to revise its written AML procedures and enhance its AML monitoring procedures until later. FINRA also found that the firm failed to establish and implement due diligence policies, procedures and controls for foreign financial institutions (FFIs). The firm failed to obtain required information concerning the nature of the anticipated trading activity in the accounts of many of its FFI customers. Due to these failures, the firm was unable to reasonably assess the degree of money-laundering risk posed by these accounts. In addition, the firm did not initially complete a formal risk assessment of its customers that were FFIs located in countries or overseas jurisdictions known for heightened money-laundering risk, despite repeated recommendations from its internal auditors to do so. Even after the firm completed risk assessments of its customers, it failed to implement controls over the accounts of FFIs targeted to any specific risk posed by the accounts. The firm also failed to periodically review FFI account activity, including to determine if the activity was consistent with each account's stated purpose. In addition, FINRA determined that the firm failed to perform supervisory reviews of electronic communications involving firm employees. The firm used a surveillance platform provided by a vendor to perform keyword searches of firm employees' electronic communications

designed to detect problematic activity, including potential regulatory violations and customer complaints. The firm's review lapses were generally caused by its failure to enable certain functions on its vendor's surveillance platform or to add certain employees' communications to its review protocol. The firm failed to detect the lapses because it had no reconciliation system or written procedures to compare the quantity of electronic communications sent or received by firm employees to the quantity subject to review during a given time period or to otherwise ensure that its employees' electronic communications were reviewed. ([FINRA Case #2018058464601](#))

Barclays Capital Inc. ([CRD #19714](#), New York, New York)

December 23, 2021 – An AWC was issued in which the firm was censured, fined \$100,000, of which \$33,333 is payable to FINRA, and ordered to pay disgorgement in the amount of \$218,803.52, of which \$72,934.50 is payable to FINRA, plus interest. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it over-tendered shares in a company because it miscalculated its long position. The findings stated that when tendering shares, the firm manually calculated its long position using several different systems. The firm miscalculated its long position because it missed a short position that was housed in another system, used an incorrect final tender price when calculating share calls required to be deducted from the firm's long position and miscalculated grandfathered calls, giving the firm credit for shares that it should not have included. As a result, the firm received \$218,803.52 in ill-gotten gains. The findings also stated that the firm failed to have a supervisory system reasonably designed to achieve compliance with Rule 14e-4 of the Securities Exchange Act of 1934. The firm had certain procedures for calculating and reviewing the firm's net long positions, however the procedures were primarily operational and did not include a supervisory review regarding compliance with Rule 14e-4. ([FINRA Case #2019062945201](#))

Cabrera Capital Markets, LLC ([CRD #10081](#), Chicago, Illinois)

December 23, 2021 – An AWC was issued in which the firm was censured, fined \$50,000 and required to submit a written, signed and dated certification to FINRA that its policies, systems and procedures (including written procedures) and training, concerning compliance with Section 10(b) of the Exchange Act, Rule 10b-10 thereunder, and FINRA Rule 2232, are in effect and reasonably designed to ensure that customer confirmations accurately disclose required transaction information. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to disclose to institutional customers certain information on written trade confirmations as required. The findings stated that the firm failed to disclose, in written trade confirmations to customers, markups and markdowns on principal transactions in preferred securities at or before the

completion of the transactions. In addition, the firm incorrectly identified single executions as average price or block transactions on customer trade confirmations. The findings also stated that the firm failed to reasonably supervise for compliance with trade confirmation rules. The firm lacked WSPs regarding customer trade confirmations and failed to enforce a supervisory system reasonably designed to achieve compliance with Section 10(b) of the Exchange Act, Rule 10b-10 thereunder, and FINRA Rule 2232. ([FINRA Case #2018057161001](#))

RBC Capital Markets, LLC ([CRD #31194](#), New York, New York)

December 29, 2021 – An AWC was issued in which the firm was censured and fined \$2,600,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report, and inaccurately reported, over-the-counter (OTC) options positions to the Large Options Positions Reporting System (LOPR). The findings stated that these violations were caused by errors in the reporting logic of the firm's internal risk system that it used to compile and submit OTC LOPR reports and it remained undetected for years. The findings also stated that the firm failed to establish and maintain a supervisory system reasonably designed to comply with its LOPR reporting obligations. The firm used supervisory systems to detect inaccurate LOPR reports. Those systems were not designed to detect, and in fact did not detect, instances where the firm failed to report OTC options positions to the LOPR. Further, the firm had no system to review whether contract quantities were reported accurately. In addition, the firm's WSPs identified firm principals who were responsible for conducting supervisory reviews of the firm's LOPR reports, but these procedures did not provide any guidance or set forth a process for how these principals should detect instances where the firm failed to report OTC options positions to the LOPR or to confirm the accuracy of reported contract quantities. Ultimately, the firm implemented multiple new surveillance reports and procedures to determine whether its reportable OTC positions had been reported and were accurate. ([FINRA Case #2017054718901](#))

Triad Advisors LLC ([CRD #25803](#), Norcross, Georgia)

December 29, 2021 – An AWC was issued in which the firm was censured, fined \$195,000, ordered to pay \$510,256.57, plus interest, in restitution to customers and required to certify that it has established and implemented 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 it failed to reasonably supervise its registered representatives' recommendations of an alternative mutual fund. The findings stated that the firm did not have a reasonably designed supervisory system with respect to the recommendation of the alternative mutual funds. The firm had no system or procedures to determine whether a new mutual fund constituted a complex product or was an alternative mutual fund before firm representatives sold

it, such that heightened due diligence of the product may be appropriate. Rather, in reviewing and approving new funds before firm representatives sold them, the firm subjected them to the same standards as traditional mutual funds, which did not evaluate the potential risks and rewards associated with the strategy of the funds. Further, the firm did not conduct any due diligence of mutual funds added to its platform by its clearing firm. In addition, the firm did not provide reasonable guidance or training to representatives regarding the risks and features of alternative mutual funds and did not have WSPs advising firm principals how to supervise recommendations of alternative mutual funds. Furthermore, the firm utilized an electronic trade review system to assist with the supervision of the trading activity of the firm's financial professionals. However, the firm failed to consider whether the rules of the review system pertaining to traditional mutual funds were reasonable for use in reviewing alternative mutual funds that utilize a more complex strategy, or whether it may be necessary to tailor the tool's parameters to address particular risks and characteristics of alternative mutual funds. As a result, the firm's alternative mutual fund transactions were generally not identified for additional suitability review. The findings also stated that the firm failed to obtain and record private placement customers' account information in the firm's books and records. The firm's supervisory procedures required Office of Supervisory Jurisdiction (OSJ) branch offices to submit copies of new account forms and sponsor specific documentation for direct fund and alternative investments to the firm's home office to ensure that representatives opened a firm client account and obtained new account forms with customer suitability information for all direct fund and alternative investment purchases. The firm allowed one OSJ branch to offer the alternative mutual fund private offerings but failed to enforce its procedures by ensuring that the OSJ branch office provided new account forms and sponsor specific documentation to the home office. The firm home office did not verify that representatives obtained required customer information prior to their investment in the alternative mutual fund private offerings. Subsequently, the firm implemented an additional feature to its systems requiring branch offices to provide to the home office all such documentation for investments prior to receiving commission payments on the investments. ([FINRA Case #2019061651201](#))

Firms Sanctioned

FSC Securities Corporation ([CRD #7461](#), Atlanta, Georgia), Royal Alliance Associates, Inc. ([CRD #23131](#), Jersey City, New Jersey) and Sagepoint Financial, Inc. ([CRD #133763](#), Phoenix, Arizona)

December 20, 2021 – An AWC was issued in which FSC was censured and ordered to pay \$125,187.52, plus interest, in restitution to customers, Royal Alliance was censured and ordered to pay \$224,362.66, plus interest, in restitution to

customers and Sagepoint was censured and ordered to pay \$63,274.73, plus interest, in restitution to customers. No fines were imposed in recognition of the firms' extraordinary cooperation through voluntary participation in [FINRA's 529 Plan Share Class Initiative](#). Without admitting or denying the findings, the firms consented to the sanctions and to the entry of findings that they failed to establish and maintain a supervisory system reasonably designed to supervise 529 plan share-class recommendations. The findings stated that the firms' supervisory system for 529 plans did not reasonably address share-class suitability and did not detect share-class recommendations that were inconsistent with the time horizon for 529 plan investments. The firms' WSPs for 529 plans did not specifically address the relationship between account beneficiary age, the number of years until funds would be needed to pay qualified higher education expenses and 529 plan share-class suitability. Instead, they directed representatives to consider the client's investment objectives and associated costs, including mutual fund load expenses, when making a 529 plan recommendation. The firms' transaction review system did not include rules to identify 529 plan share-class recommendations that appeared to be inconsistent with the age of the account beneficiary or the account's stated time horizon. The firms improved their transaction review system by adding a rule to detect share-class recommendations that were inconsistent with the stated time horizon for the account. However, the investment profile information that the system could use did not include account beneficiary age data. Accordingly, the system could not detect stated time horizons that appeared to conflict with the age of the account beneficiary or 529 plan share-class recommendations that were inconsistent with the time horizon suggested by the age of the account beneficiary. As a result, the firms did not reasonably supervise 529 plan share-class recommendations and failed to identify Class C share recommendations that were inconsistent with the share-class recommendations suggested by the age of the account beneficiary. ([FINRA Case #2019062531501](#))

LPL Financial LLC (CRD #6413, Fort Mill, South Carolina)

December 20, 2021 – An AWC was issued in which the firm was censured and ordered to pay \$982,354, plus interest, in restitution to customers. No fine was imposed in recognition of the firm's extraordinary cooperation through voluntary participation in [FINRA's 529 Plan Share Class Initiative](#). 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 reasonably designed to supervise registered representatives' recommendations to customers that they rollover 529 savings plan investments from one state plan to another. The findings stated that the firm sold 529 plans that offered sales charge waivers or Class AR shares when a customer held Class A shares in one state-sponsored 529 plan but decided to roll over the shares into another state's 529 plan. However, the firm did not establish and maintain a system to determine that the waivers

were applied to each eligible transaction or that eligible customers received Class AR shares. Specifically, the firm had no policies or procedures to identify those 529 plans that offered rollover sales charge waivers or Class AR shares. The firm failed to adequately notify and train its representatives regarding the availability of sales charge waivers and Class AR shares. Likewise, the firm failed to adopt any controls to detect instances in which it did not provide customers with available waivers or Class AR shares in connection with eligible rollovers. As a result, the firm failed to apply available sales charge waivers or recommend Class AR shares to thousands of transactions with an aggregate principal value of approximately \$28 million, which resulted in the firm overcharging customers \$982,354 in front-end sales charges. ([FINRA Case #2019062530101](#))

MML Investors Services, LLC ([CRD #10409](#), Springfield, Massachusetts)

December 20, 2021 – An AWC was issued in which the firm was censured and ordered to pay \$617,726.28, plus interest, in restitution to customers. No fine was imposed in recognition of the firm's extraordinary cooperation through voluntary participation in [FINRA's 529 Plan Share Class Initiative](#). Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to reasonably supervise registered representatives' 529 plan share-class recommendations. The findings stated that the firm's systems and procedures for supervising representatives' 529 plan share-class recommendations were not reasonably designed. The firm failed to provide supervisors with adequate guidance and information necessary to evaluate the suitability of representatives' 529 plan share-class recommendations, and also failed to provide guidance to representatives regarding the share-class suitability factors specific to recommending 529 plan investments. Although firm supervisors were required to review and approve all 529 plan transactions, the firm's procedures did not specifically address the relationship between account beneficiary age, the number of years until funds would be needed to pay qualified higher education expenses and 529 plan share-class suitability. As a result, supervisors approved 529 plan C share transactions without having access to or considering beneficiary age, a relevant factor in evaluating the suitability of 529 plan share-class recommendations. Moreover, the firm did not conduct any training for representatives regarding 529 plan share classes or otherwise provide guidance with respect to relevant suitability factors when recommending a particular 529 plan share class. As a result, the firm did not reasonably supervise 529 plan share-class recommendations and failed to identify Class C share recommendations that were inconsistent with the share-class recommendations suggested by the age of the account beneficiary. The findings also stated that the firm failed to reasonably supervise mutual fund and 529 plan transactions for available breakpoints. The firm's supervisory system was not reasonably designed to identify and apply all available breakpoint discounts. The firm required its representatives to complete a breakpoint worksheet for Class A share purchases in mutual funds or 529 plans

to identify available breakpoint discounts. However, the firm did not require, and representatives often could not complete, breakpoint worksheets for direct or automatic contribution transactions made subsequent to an initial investment, because such contributions were sometimes made without the involvement of the representative. The firm relied on an exception report to identify missed mutual fund and 529 plan breakpoints. However, the exception report only captured transactions of \$500 or more. As a result, the firm failed to have a system reasonably designed to aggregate for breakpoint purposes customers' contributions to mutual funds and 529 plans if those contributions were in amounts less than \$500. ([FINRA Case #2019062530501](#))

UBS Financial Services Inc. ([CRD #8174](#), Weehawken, New Jersey)

December 20, 2021 – An AWC was issued in which the firm was censured and ordered to pay \$4,059,652.95, plus interest, in restitution to customers. No fine was imposed in recognition of the firm's extraordinary cooperation through voluntary participation in [FINRA's 529 Plan Share Class Initiative](#). 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 reasonably designed to supervise 529 plan share-class recommendations. The findings stated that the firm did not apply its supervisory controls to off-platform 529 plan transactions and did not adapt its share-class suitability procedures to 529 plans. The firm's supervisors were permitted to approve new 529 plan recommendations and authorize the creation of mirror accounts at the firm after a general review of the 529 plan application and the firm's new account application. These documents were not designed to detect potentially unsuitable 529 plan share-class recommendations. Although supervisors were required to conduct a suitability review, no specific suitability review of the recommended share class was required. In addition, initial contributions at account opening were done directly at the 529 plans and not subjected to the share class calculator or transaction restrictions that the firm required for mutual funds. Although the firm applied its supervisory controls for mutual funds to subsequent recommendations effected through 529 plan mirror accounts, the firm did not adapt those controls to 529 plan investments. The firm also did not adapt its mutual fund share-class suitability guidelines to 529 plan investments. The firm's WSPs did not reasonably address the relationship between 529 plan account beneficiary age, investment time horizon and share class costs. ([FINRA Case #2019062532801](#))

Wells Fargo Advisors Financial Network, LLC ([CRD #11025](#), St. Louis, Missouri) and Wells Fargo Clearing Services, LLC ([CRD #19616](#), St. Louis, Missouri)

December 20, 2021 – An AWC was issued in which the firms were censured and ordered to pay \$3,367,929, plus interest, jointly and severally, in restitution to customers. No fines were imposed in recognition of the firm's extraordinary

cooperation as set forth in the AWC. Without admitting or denying the findings, the firms consented to the sanctions and to the entry of findings that they failed to establish and maintain a supervisory system reasonably designed to supervise representatives' 529 plan share-class recommendations. The findings stated that the firms shared WSPs that did not reasonably address the share-class suitability factors specific to 529 plan investments. The firms' WSPs for 529 plans did not specifically address the relationship between account beneficiary age, the number of years until funds would be needed to pay qualified education expenses and 529 plan share-class suitability. Instead, they merely referenced suitability factors generally applicable to all investment products, such as fees and expenses, investment objective and risk tolerance. In addition, the firms' electronic alert system did not include parameters to identify 529 plan share-class recommendations that appeared to be inconsistent with the age of the account beneficiary or the account's stated investment horizon. As a result, the firms failed to provide supervisors with the tools to alert them to Class C share recommendations that may have been inconsistent with the account beneficiary's age. ([FINRA Case #2016049188701](#))

Individuals Barred

Rodney Deleths Washington ([CRD #1275777](#), New Albany, Ohio)

December 9, 2021 – An AWC was issued in which Washington was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Washington 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 whether he had engaged in an undisclosed outside business and other potentially violative conduct. ([FINRA Case #2020066438301](#))

Thomas Patrick Barton III ([CRD #6908590](#), Pittsburgh, Pennsylvania)

December 10, 2021 – An AWC was issued in which Barton was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Barton consented to the sanction and to the entry of findings that he electronically signed the names of individuals on five fictitious insurance policy applications without their prior permission and submitted the forged applications to an insurance company. The findings stated that on each application, Barton designated his own bank account for the automatic premium payments. None of the individuals authorized Barton to sign their names on the applications, and none of them had discussed purchasing insurance through him. After one of the individuals contacted the insurance company and inquired about why she and her spouse had been issued policies, Barton claimed that the policies had been issued by mistake. He did not disclose a third unauthorized application. Several weeks later, Barton created two additional fictitious policy applications. ([FINRA Case #2021071289801](#))

Gaetano Salvatore Ciambriello ([CRD #6948879](#), Trumbull, Connecticut)

December 14, 2021 – An AWC was issued in which Ciambriello was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Ciambriello consented to the sanction and to the entry of findings that he failed to appear for on-the-record testimony requested by FINRA during the course of its investigation relating to a Uniform Termination Notice for Securities Industry Registration (Form U5) filed by his member firm in which it stated he was discharged for reasons including engaging in an OBA. ([FINRA Case #2020067213401](#))

Daniel Della Rosa ([CRD #2468171](#), Tampa, Florida)

December 16, 2021 – An Order Accepting Offer of Settlement was issued in which Della Rosa was barred from association with any FINRA member in all capacities. Without admitting or denying the allegations, Della Rosa consented to the sanction and to the entry of findings that he failed to provide information and documents and also failed to appear for on-the-record testimony requested by FINRA in connection with its investigation of his sales practices. FINRA requested that Della Rosa provide certain information and documents relating to, inter alia, his responsibilities at his member firm, his customer accounts and communications with customers. ([FINRA Case #2020065714602](#))

Michael John Giovannelli ([CRD #4989449](#), North Massapequa, New York)

December 17, 2021 – An Office of Hearing Officers (OHO) decision became final in which Giovannelli was barred from association with any FINRA member in all capacities and ordered to pay \$1,494, plus interest, in restitution to a customer. In light of the bar, no further sanctions are imposed. The sanctions were based on the findings that Giovannelli made trades in an elderly customer's non-discretionary account without the customer's authorization. The findings stated that the unauthorized trades generated \$1,380 in commissions and \$1,494 in realized losses. The findings also stated that Giovannelli provided false documents to FINRA in connection with its investigation into his unauthorized transactions. Giovannelli provided copies of altered cellphone records to FINRA to make it appear that he spoke to the customer on five of the six dates of the unauthorized trades when he did not. The findings also included that Giovannelli provided false testimony during his on-the-record interview with FINRA. Giovannelli testified that he contacted the customer to obtain authorization prior to each of the unauthorized trades he made in the customer's account. In fact, Giovannelli did not speak to the customer or obtain his authorization before any of the trades. Giovannelli also testified that he did not alter any of the telephone records that he provided to FINRA. FINRA found that Giovannelli exercised discretion by trading in customer accounts without their written authorization and without his member firm having accepted any of the accounts as discretionary. ([FINRA Case #2019061941101](#))

Hayk Papoyan ([CRD #4459980](#), Northridge, California)

December 20, 2021 – An AWC was issued in which Papoyan was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Papoyan consented to the sanction and to the entry of findings that he failed to timely disclose an outside brokerage account to his member firm. The findings stated that Papoyan opened and funded a brokerage account in his name at another firm, but at the time, did not disclose the account to his firm, nor did he disclose his association with his firm in his account application. Papoyan eventually disclosed the account to his firm, only after the initiation of the FINRA investigation. The findings also stated that Papoyan appeared for and provided on-the-record testimony to FINRA in which he falsely claimed he did not know about or control the subject brokerage account. Papoyan admitted that these claims were false during subsequent testimony. ([FINRA Case #2020065058201](#))

Jason Patrick Hamby ([CRD #3089278](#), Blacksburg, Virginia)

December 22, 2021 – An AWC was issued in which Hamby was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Hamby consented to the sanction and to the entry of findings that he failed to provide on-the-record testimony requested by FINRA in connection with its investigation into a Form U5 filed by his member firm that stated his registration had been terminated after allegations that he involved an unregistered person in activities that required securities registration. The findings stated that although Hamby initially cooperated with FINRA's investigation, he ceased doing so. ([FINRA Case #2019064729704](#))

Scott Alan Kaufman ([CRD #2047445](#), Mohnton, Pennsylvania)

December 22, 2021 – An AWC was issued in which Kaufman was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Kaufman 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 of the circumstances giving rise to a Form U5 filed by his member firm. The findings stated that the firm filed the Form U5 stating that it had terminated Kaufman's registration due to his use of a fixed income trading strategy designed to increase bond ratings at the expense of lowering yield to customer. ([FINRA Case #2019063886401](#))

David Khezri ([CRD #2736831](#), Miller Place, New York)

December 23, 2021 – An AWC was issued in which Khezri was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Khezri 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 of whether he made unsuitable securities recommendations in customer accounts. ([FINRA Case #2021070381701](#))

Amy Marjorie O'Brien (CRD #5765481, Otis, Indiana)

December 23, 2021 – An AWC was issued in which O'Brien was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, O'Brien consented to the sanction and to the entry of findings that she refused to provide documents and information requested by FINRA in connection with its investigation into her potential improper receipt of funds from an elderly customer. ([FINRA Case #2021073002001](#))

Kyle Zachary Wittgren (CRD #6221630, Fishers, Indiana)

December 27, 2021 – An AWC was issued in which Wittgren was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Wittgren consented to the sanction and to the entry of findings that he refused to provide on-the-record testimony to FINRA in connection with its investigation that began after it received a Form U5 filed by his member firm. The findings stated that the Form U5 disclosed that the firm had permitted Wittgren to resign after he admitted he signed clients' names without their knowledge or consent, submitted unfunded variable annuity rollover applications and altered client email addresses in violation of company policy. ([FINRA Case #2021071290001](#))

Roger Oakley Waite (CRD #2848213, Murrieta, California)

December 31, 2021 – An AWC was issued in which Waite was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Waite consented to the sanction and to the entry of findings that he refused to respond to FINRA's requests for documents and information during the course of its investigation into a matter that originated from a tip to FINRA. The findings stated that although Waite initially cooperated with FINRA's investigation, he ceased doing so. ([FINRA Case #2019064510501](#))

Individuals Suspended

Robert Patrick Foley (CRD #6060234, Newark, New Jersey)

December 1, 2021 – An AWC was issued in which Foley was assessed a deferred fine of \$5,000, suspended from association with any FINRA member in any principal capacity for four months and required to attend and satisfactorily complete 40 hours of continuing education concerning supervisory responsibilities. Without admitting or denying the findings, Foley consented to the sanctions and to the entry of findings that he failed to reasonably supervise two registered representatives of his member firm who excessively traded customer accounts and a third representative who falsified the firm's books and records. The findings stated that Foley did not reasonably review orders or conduct periodic reviews to identify potentially unsuitable recommendations or excessive trading. Although Foley signed off on

weekly trade reviews, he did not focus on red flags of potentially unsuitable or excessive trading, such as frequent trading, large trades placed on margin, in-and-out trading and high commission charges. As a result, Foley did not reasonably supervise the two representatives who excessively traded customers' accounts, ultimately charging those customers more than \$300,000 in commissions and fees in less than six months. In addition, Foley did not investigate red flags that the two representatives were recommending securities transactions in those accounts despite not being registered in the customers' home states. In addition, Foley knew that the third representative, who was listed in the firm's books and records as the representative of record for the accounts in question, was only 20 years old and had virtually no experience as a representative. Foley also knew that the two representatives, who had introduced the customers to the firm, had been unable to obtain registrations in the customers' home states, and that the third representative became their representative of record shortly thereafter. Foley did not take reasonable steps to investigate these red flags, such as contacting the customers. Had he done so, Foley would have learned that the two representatives – and not the third representative – were making securities recommendations to the customers in question.

The suspension is in effect from December 6, 2021, through April 5, 2022. ([FINRA Case #2019060648802](#))

Peter N. Girgis (CRD #4520444, Staten Island, New York)

December 1, 2021 – An AWC was issued in which Girgis was fined \$7,500, suspended from association with any FINRA member in all capacities for nine months and ordered to pay \$169,677 in restitution to customers. Without admitting or denying the findings, Girgis consented to the sanctions and to the entry of findings that he engaged in excessive and quantitatively unsuitable trading in customer accounts. The findings stated that Girgis recommended high frequency trading in the customer accounts with each customer often holding concentrated positions in one or two securities for short periods of time. Girgis' customers routinely followed his recommendations and, as a result, Girgis exercised de facto control over the customer accounts. Girgis' trading of the customer accounts resulted in high turnover rates and cost-to-equity ratios as well as significant losses. As a result of Girgis' excessive trading, the customers suffered collective realized losses of \$224,573, while paying total trading costs of \$199,622, including commissions of \$181,877.

The suspension is in effect from January 3, 2022, through October 2, 2022. ([FINRA Case #2017056432607](#))

Matthew Priester (CRD #7338683, Covington, Georgia)

December 1, 2021 – An AWC was issued in which Priester was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Priester consented to the sanctions and to the entry of findings that he possessed and referred to his cellular phone before changing certain of his answers while taking the Securities Industry Essentials (SIE) exam.

The suspension is in effect from December 6, 2021, through June 5, 2023. ([FINRA Case #2021071384201](#))

Douglas Jarrett Rosenberg (CRD #3214215, Massapequa, New York)

December 1, 2021 – An AWC was issued in which Rosenberg was suspended from association with any FINRA member in all capacities for seven months and ordered to pay \$25,000 in partial restitution to customers. In light of Rosenberg's financial status, the sanctions do not include a monetary fine. Without admitting or denying the findings, Rosenberg consented to the sanctions and to the entry of findings that he excessively and unsuitably traded customer accounts. The findings stated that all of the customers accepted Rosenberg's recommendations. As a result, Rosenberg's customers suffered more than \$154,000 in realized losses and paid a total of \$89,652 in commissions, trading costs and margin interest.

The suspension is in effect from January 3, 2022, through August 2, 2022. ([FINRA Case #2019063821605](#))

Michael Emile Lian (CRD #2639356, Palm Harbor, Florida)

December 2, 2021 – An AWC was issued in which Lian was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for eight months. Without admitting or denying the findings, Lian consented to the sanctions and to the entry of findings that he intentionally circumvented his member firm's written procedures by taking steps to conceal an \$8,000 cash gift from a customer. The findings stated that Lian was aware his firm's procedures prohibited registered representatives from accepting gifts from customers without its approval but did not disclose the gift to the firm or receive its approval to accept the gift. The findings also stated that Lian failed to timely respond to FINRA's requests for information and documents regarding the gift, among other things. After not receiving responses to its requests, FINRA issued a Notice of Suspension to Lian that advised him that failure to respond to its requests would result in a suspension. Lian finally responded to the requests for information and documents ten days prior to the effective date of the suspension.

The suspension is in effect from December 6, 2021, through August 5, 2022. ([FINRA Case #2020068420702](#))

Eric Carl Willer ([CRD #2263899](#), Dallas, Texas)

December 3, 2021 – An AWC was issued in which Willer was suspended from association with any FINRA member in all capacities for nine months. In light of Willer's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Willer consented to the sanction and to the entry of findings that he recommended potential investors purchase bonds in two private placement offerings without having a reasonable basis to believe that the bonds were suitable for any investor and negligently distributed misleading communications concerning the offerings. The findings stated that Willer performed no investigation of the issuer or its management in connection with the offerings, other than reviewing offering documents prepared by the issuers and promoters. Furthermore, the offering documents Willer used and distributed to potential investors in the sale of the bonds contained multiple material misrepresentations that he failed to recognize. As a result of his failure to conduct reasonable due diligence of the issuer, its management and the offerings, Willer had no reasonable basis to believe that the offerings were suitable. In addition, Willer negligently misrepresented and omitted material facts when he distributed the misleading offering documents to potential investors, who collectively invested \$460,000 in the offerings.

The suspension is in effect from December 6, 2021, through September 5, 2022. ([FINRA Case #2018059545603](#))

Alan Scot Feigenbaum ([CRD #3132230](#), Boca Raton, Florida)

December 6, 2021 – An AWC was issued in which Feigenbaum was assessed a deferred fine of \$15,000 and suspended from association with any FINRA member in all capacities for five months. Without admitting or denying the findings, Feigenbaum consented to the sanctions and to the entry of findings that he exercised discretion without written authority in customer accounts. The findings stated that Feigenbaum entered orders on a discretionary basis for trades in customer accounts, including those of senior customers. Although the customers permitted Feigenbaum to exercise discretion and had not complained, none of them had given him written authorization to do so and neither of his member firms had approved the accounts as discretionary. Feigenbaum exercised discretion without written authorization despite having previously received a written letter of caution from one of his supervisors for similar misconduct. In addition, Feigenbaum inaccurately stated that he had not exercised discretion in any customer account on compliance questionnaires. The findings also stated that Feigenbaum caused one of his firms to create and maintain inaccurate books and records through his use of an unauthorized email account and by mismarking orders as unsolicited. Feigenbaum had an approved outside business through which he provided accounting and tax services to clients. Feigenbaum communicated with certain of his brokerage customers, including seniors, regarding securities-related matters over the email account he used for his tax preparation business. The content of

the communications included investment recommendations. Because the firm was unaware of and had not authorized use of the email account, it was unable to supervise, preserve, or retain the securities-related emails. Furthermore, Feigenbaum inaccurately stated on compliance questionnaires that he had conducted all business-related communication over his firm email account. Feigenbaum also marked trades in a particular exchange-traded product in customer accounts as unsolicited, when in fact he had solicited the transactions.

The suspension is in effect from December 6, 2021, through May 5, 2022. ([FINRA Case #2019062006601](#))

Bradley S. Lay (CRD #4633746, Thompsons Station, Tennessee)

December 6, 2021 – An AWC was issued in which Lay was fined \$7,500, suspended from association with any FINRA member in all capacities for two months and ordered to pay disgorgement of commissions received in the amount of \$267, plus interest. Without admitting or denying the findings, Lay consented to the sanctions and to the entry of findings that he engaged in unauthorized trading. The findings stated that Lay purchased and sold securities totaling approximately \$184,000 in customer accounts, without receiving express authorization from the customers prior to execution. Instead, despite the absence of signed, written trading authorization forms, Lay relied on authorization he received from each customer's respective spouse to execute the trades. Likewise, without prior express authorization, Lay effected additional securities transactions in another customer's account totaling approximately \$104,000. In addition, Lay entered and subsequently deleted inaccurate notes in his member firm's client relationship management system in connection with these additional transactions, indicating that he spoke with the customer prior to entering the trades in her account when he did not actually speak with her until several days after execution. For these transactions, Lay earned \$267 in commissions.

The suspension is in effect from January 3, 2022, through March 2, 2022. ([FINRA Case #2019063909501](#))

Daniel James O'Neill (CRD #1358245, Huntington, New York)

December 6, 2021 – An Order Accepting Offer of Settlement was issued in which O'Neill was suspended from association with any FINRA member in all capacities for six months. In light of O'Neill's financial status, no monetary sanction has been imposed. Without admitting or denying the allegations, O'Neill consented to the sanction and to the entry of findings that he engaged in excessive and unsuitable trading in a customer's account. The findings stated that O'Neill exercised de facto control over the trading in the customer's account, controlling the volume and frequency of trading, deciding what securities to buy and sell, the quantities, the price and when each trade would occur. The trading in the customer's account was

excessive when measured against the annualized turnover rate and cost-to-equity ratio. O'Neill executed trades with a total principal value of approximately \$22.9 million in the customer's account. O'Neill's intentional, active trading caused the customer to incur \$140,109 in costs, \$147,411 in losses and generated gross sales credits and commissions of \$110,446, of which O'Neill received at least \$66,000. O'Neill did not have a reasonable basis to believe that the level of trading he recommended was suitable for the customer. The findings also stated that O'Neill engaged in unauthorized trading by effecting trades in the customer's account without first obtaining authorization or consent for the trades from the customer.

The suspension is in effect from December 6, 2021, through June 5, 2022. ([FINRA Case #2021070337301](#))

Cody Nix Wilson (CRD #4474329, Atlanta, Georgia)

December 7, 2021 – An AWC was issued in which Wilson was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Wilson consented to the sanctions and to the entry of findings that he engaged in an OBA without providing prior notice to his member firm. The findings stated that Wilson provided financial consulting services to, and served as the executive director of, a non-profit organization formed to acquire and lease low-income housing properties. Wilson signed an independent contractor agreement with the organization, which stated that he was responsible for overseeing the organizations' board of directors, locating sources for bond financing and communicating with lending institutions regarding financing for the organization's transactions. Wilson's independent contractor agreement with the organization agreed to pay him an annual salary of \$100,000. After being paid \$8,333 under the agreement, Wilson ended his relationship with the organization prior to receiving further payment. The findings also stated that Wilson denied engaging in any OBAs in a compliance certification completed for the firm.

The suspension was in effect from January 3, 2022, through February 2, 2022. ([FINRA Case #2020065661701](#))

Anthony Joseph Graziano (CRD #2862096, Valley Stream, New York)

December 8, 2021 – An AWC was issued in which Graziano was fined \$5,000, suspended from association with any FINRA member in any principal capacity for three months and ordered to attend and satisfactorily complete 20 hours of continuing education concerning supervisory responsibilities. Without admitting or denying the findings, Graziano consented to the sanctions and to the entry of findings that he failed to reasonably supervise a registered representative of his member firm, who excessively traded a senior customer's account. The findings stated that Graziano was the designated principal responsible for supervising the representatives assigned to the firm's branch office. Although Graziano reviewed

the branch's daily trade blotter, he failed to identify red flags that the representative was excessively trading the customer's account. In addition, Graziano did not enforce restrictions that another principal of the firm set on the commissions that the representative could charge in the customer's account. The principal notified Graziano that he was restricting the commissions the representative could charge in the customer's account to one percent per trade because the account's cost-to-equity ratio already exceeded 20 percent. However, Graziano failed to enforce this restriction and, as a result, the representative charged the customer commissions greater than one percent on six separate occasions. Collectively, those trades caused the customer to pay an additional \$4,000 in commissions after the principal had restricted the commissions that could be charged in the account. In all, the trades that the representative recommended in the customer's account resulted in a cost-to-equity ratio of 22 percent and caused the customer to pay almost \$120,000 in commissions and other trading costs.

The suspension is in effect from January 3, 2022, through April 2, 2022. ([FINRA Case #2020066887201](#))

Nathan Balassiano (CRD #7238162, New York, New York)

December 10, 2021 – An AWC was issued in which Balassiano was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for 60 days. Without admitting or denying the findings, Balassiano consented to the sanctions and to the entry of findings that he effected sales of securities in a customer's account without obtaining authorization. The findings stated that an imposter posing as an employee of a financial advisory company with signature authority for the customer's accounts emailed Balassiano requests to wire funds from the customer's accounts to third parties, including parties located outside of the United States. Balassiano was unaware that the requests were sent by an imposter. On three separate occasions, Balassiano sold securities in the customer's accounts, totaling \$1,067,271.87, in order to fund the wire transfers, and directed that the funds be wired to the specified third parties. Balassiano liquidated the customer's securities positions, even though the imposter did not request the sale of particular securities and even though he lacked authorization to effect the sales. The firm reimbursed the customer.

The suspension is in effect from December 20, 2021, through February 17, 2022. ([FINRA Case #2021071773101](#))

Adam Maggio (CRD #4177365, Greenlawn, New York)

December 10, 2021 – An AWC was issued in which Maggio was fined \$5,000, suspended from association with any FINRA member in any principal capacity for five months, and required to attend and satisfactorily complete 20 hours of continuing education concerning supervisory responsibilities. Without admitting

or denying the findings, Maggio consented to the sanctions and to the entry of findings that he failed to reasonably supervise trading in certain customer accounts for potentially excessive activity. The findings stated that Maggio failed to identify red flags of excessive trading. Maggio did not review exception reports as a general practice, some of which flagged accounts with high commission-to-equity ratios. Instead, Maggio tried to identify excessively traded accounts using his own manual calculations, which compared the commissions charged in an account to the account's current value, rather than its average net equity, and which often understated the cost-to-equity ratio. As a result, certain accounts continued to be actively traded and were charged high commissions. The findings also stated that Maggio failed to reasonably respond to red flags of excessive trading. On certain occasions, Maggio responded to red flags of excessive trading by restricting the commissions that representatives could charge on individual trades, but he did not limit the aggregate costs and commissions charged to the affected accounts. As a result, representatives could place more frequent trades in a customer's account and thereby continue to charge customers similar aggregate commissions. Maggio also did not restrict commissions on certain trades where the customer made a realized gain, irrespective of the overall amount of commissions that had been charged.

The suspension is in effect from January 3, 2022, through June 2, 2022. ([FINRA Case #2019063821601](#))

Johan M. Pereira ([CRD #6252881](#), Methuen, Massachusetts)

December 10, 2021 – An AWC was issued in which Pereira was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for seven months. Without admitting or denying the findings, Pereira consented to the sanctions and to the entry of findings that he failed to fully disclose the nature of his OBA to his member firm. The findings stated that Pereira disclosed, and sought approval to participate in, an OBA for compensation. Pereira disclosed that, among other things, he would not provide advice on financing, investments, or financial planning through his outside business. The firm approved Pereira's OBA based on his description of the scope of his activity. Later, Pereira began to engage in activities that were beyond the scope of his approved OBA. Specifically, Pereira was hired to assist a client in purchasing Bitcoin and purchased Bitcoin himself for that client. Pereira did not disclose this broader activity to the firm. The findings also stated that Pereira failed to timely respond to FINRA's requests for information and documents in connection with its investigation into his OBA. Pereira provided written responses to the requests for information but produced no documents. Pereira did not request an extension to allow him to produce the requested documents. Later, Pereira produced some, but not all, of the documents. In addition, FINRA took Pereira's on-the-record testimony, and it became apparent that he had not thoroughly searched for responsive documents. Pereira later produced additional documents.

The suspension is in effect from December 20, 2021, through July 19, 2022. ([FINRA Case #2020065633902](#))

Randyl Robert Taber (CRD #1399854, Van Meter, Iowa)

December 13, 2021 – An AWC was issued in which Taber was fined \$5,000 and suspended from association with any FINRA member in all capacities for 20 business days. Without admitting or denying the findings, Taber consented to the sanctions and to the entry of findings that he impersonated a customer on a telephone call to a financial services company. The findings stated that Taber called the company, identified himself as a registered representative with his member firm, and requested information about a variable annuity he previously sold to the customer. The company refused to provide Taber with the information he was seeking, however, because he was no longer the broker of record listed on the customer's annuity. Later that day, Taber again called the company and sought the same information. In this call, Taber falsely represented that he was the customer and provided the customer's personal information in order to obtain information about the annuity. The company recognized Taber, again refused to provide information about the customer's annuity and alerted the firm of Taber's conduct. When the firm confronted Taber about his impersonation of the customer, he twice denied doing so until the firm presented him with phone records demonstrating his contacts with the company.

The suspension was in effect from January 3, 2022, through January 31, 2022. ([FINRA Case #2021070514901](#))

Robert James Norris (CRD #4942444, Rochester, New York)

December 15, 2021 – An AWC was issued in which Norris 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, Norris consented to the sanctions and to the entry of findings that he mismarked order tickets causing his member firm to make and preserve inaccurate books and records. The findings stated that Norris worked alongside a more senior representative and personally serviced some of the other representative's customers, including making recommendations regarding the purchase and sale of securities. When completing order tickets for transactions that he solicited, Norris listed the more senior representative's representative code, as opposed to his own individual representative code or a shared representative code. As a result, those order tickets incorrectly listed the more senior representative – and not Norris – as the representative of record on order tickets causing the firm to make and preserve inaccurate order memoranda.

The suspension is in effect from December 20, 2021, through February 19, 2022. ([FINRA Case #2019063245601](#))

John Daniel Quinn (CRD #2576416, Chatham, New Jersey)

December 16, 2021 – An AWC was issued in which Quinn was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Quinn consented to the sanctions and to the entry of findings that he participated in private securities transactions without his member firm’s knowledge or approval. The findings stated that Quinn solicited investors, some of whom were firm customers, to purchase a total of \$1,247,500 in restricted shares of common stock in an industrial hemp company, through a company offering. Quinn received 2,540,000 restricted shares of common stock in the hemp company in exchange for referring the investors to it. In addition, Quinn falsely certified on a firm annual compliance questionnaire that he had not participated in any private securities transactions. The findings also stated that Quinn engaged in an OBA without approval from his member firms. Quinn disclosed an entity he wholly owned to one firm as an OBA and represented to the firm that the purpose of the OBA was to hold real estate, and that it was not held out to the public or marketed. The firm approved the entity as an OBA. Later, Quinn requested approval from the firm to provide consulting services to the hemp company, an activity that was beyond the scope of the firm’s prior approval of his OBA. The firm denied the request because the hemp company was in the cannabis business. Nevertheless, Quinn provided various consulting services to the hemp company through his OBA. Quinn never informed the firm that he provided these services, notwithstanding the firm’s denial of his request to do so. Quinn also failed to amend his outside business disclosure to accurately describe the services he was rendering to the hemp company through his OBA. When Quinn became associated with another firm, he disclosed the entity as an OBA that bought, renovated and sold property. Quinn’s description was inaccurate because Quinn was providing consulting services to the hemp company and was not involved in any real estate business. Quinn continued to provide consulting services to the hemp company while associated with the firm, without disclosure to, or approval from the firm. In total, Quinn received \$105,000 in fees from the hemp company for his undisclosed and unapproved consulting activities. In addition, Quinn falsely certified on both firms’ annual compliance questionnaires that he had not engaged in any undisclosed OBAs.

The suspension is in effect from December 20, 2021, through June 19, 2023. ([FINRA Case #2020066408902](#))

Joseph Michael Fedorko, Jr. (CRD #2007317, Old Greenwich, Connecticut)

December 17, 2021 – An AWC was issued in which Fedorko was fined \$7,500 and suspended from association with any FINRA member in all capacities for 10 months. Without admitting or denying the findings, Fedorko consented to the sanctions and to the entry of findings that he engaged in excessive and unsuitable trading in an account held by a senior married couple. The findings stated that Fedorko exercised

de facto control over the customers' account. Fedorko and his firm effected transactions in the customers' account that resulted in approximately \$1.1 million in trading losses and generated approximately \$760,000 in commissions and markups for the firm. Fedorko received between 25 and 50 percent of these commissions and markups. After the customers filed a statement of claim, the firm compensated the customers, which concluded the customers' arbitration.

The suspension is in effect from January 18, 2022, through November 17, 2022. ([FINRA Case #2020066704601](#))

Todd Franklin Kling ([CRD #3034284](#), New York, New York)

December 17, 2021 – An AWC was issued in which Kling was suspended from association with any FINRA member in all capacities for three months. In light of Kling's financial status, no monetary sanctions have been imposed. Without admitting or denying the findings, Kling consented to the sanction and to the entry of findings that he engaged in excessive and unsuitable trading, including the use of margin, in a senior customer's account. The findings stated that although the customer's account had an average month-end equity of \$259,633, Kling recommended trades with a total principal value of more than \$5,414,465, which resulted in an annualized turnover rate of more than 12. Collectively, the trades that Kling recommended caused the customer to pay \$153,879 in commissions, trading costs and margin interest, which resulted in an annualized cost-to-equity ratio in excess of 35 percent, meaning that the customer's account would have had to grow by more than 35 percent annually just to break even.

The suspension is in effect from January 18, 2022, through April 17, 2022. ([FINRA Case #2019063821606](#))

Joseph Scott Audia ([CRD #2909761](#), Mt. Sinai, New York)

December 20, 2021 – An AWC was issued in which Audia was fined \$5,000, suspended from association with any FINRA member in any principal capacity for two months and required to attend and satisfactorily complete 20 hours of continuing education concerning supervisory responsibilities. Without admitting or denying the findings, Audia consented to the sanctions and to the entry of findings that he failed to reasonably supervise a registered representative, who excessively and unsuitably traded certain customer accounts. The findings stated that Audia reviewed the branch's daily trade blotters and used active account reports generated by the firm to monitor for excessive and unsuitable trading. Although Audia reviewed the trade blotters, he failed to identify or investigate red flags that the representative was excessively trading customer accounts, including certain instances of in-and-out trading. Audia was also provided with active account reports that flagged accounts with high cost-to-equity ratios and high turnover. The active account reports also

identified commission restrictions, or limits on future commissions charged to a customer, that the member firm imposed on accounts that it had identified as active accounts. Audia had responsibility for reviewing the reports and enforcing the commission restrictions. On certain occasions, Audia failed to enforce commission restrictions imposed on the representative by the firm and reflected on the active account reports that he received.

The suspension is in effect from January 18, 2022, through March 17, 2022. ([FINRA Case #2019063821604](#))

John Anthony Luppo ([CRD #2252928](#), Bonita Springs, Florida)

December 22, 2021 – An AWC was issued in which Luppo was assessed a deferred fine of \$15,000 and suspended from association with any FINRA member in all capacities for 12 months. Without admitting or denying the findings, Luppo consented to the sanctions and to the entry of findings that he signed and distributed, or caused to be distributed, misleading attestation letters to transfer agents. The findings stated that the letters were requested by certain customers at his member firm and addressed to transfer agents to provide comfort that low-priced securities that the firm customers held were eligible to be sold in the secondary market. The letters represented that, after a reasonable inquiry, the firm was not aware of circumstances indicating that the selling customer was an underwriter with respect to the stock or that the sale of the stock was part of a distribution of securities of the company. Luppo signed the letters on his member firm's behalf as an authorized person, however neither he nor anyone else at the firm had conducted an inquiry into whether the firm's customers were acting as underwriters or whether the sale of the low-priced securities was part of a distribution of securities. When he signed the letters, Luppo did not take any steps to determine whether anyone at the firm had conducted such an inquiry. As a result, the letters Luppo signed contained material misrepresentations.

The suspension is in effect from January 3, 2022, through January 2, 2023. ([FINRA Case #2019064126801](#))

Scott Randall Martinson ([CRD #2509952](#), Glen Cove, New York)

December 22, 2021 – An AWC was issued in which Martinson was assessed a deferred fine of \$5,000 suspended from association with any FINRA member in any principal capacity for two months. Without admitting or denying the findings, Martinson consented to the sanctions and to the entry of findings that he failed to reasonably supervise a former registered representative at his member firm who, while under Martinson's heightened supervision, excessively and unsuitably traded in customer accounts. The findings stated that Martinson became aware of red flags that the representative was recommending excessive and unsuitable securities transactions but failed to reasonably investigate the red flags or take appropriate

action in response to them. Although Martinson discussed the accounts with the representative, he accepted the representative's explanations that the customers understood and desired an aggressive trading strategy. When Martinson spoke with the affected customers, he did not ask them whether they understood the amount of commissions they were being charged, whether they wanted aggressive trading as the representative claimed, or whether the trading in their accounts was consistent with their investment objectives. Martinson failed to take other steps to reasonably investigate whether the trading in the customers' accounts was suitable for them, such as calculating the turnover rate or cost-to-equity ratio. Had he done so, Martinson would have learned that the trades the representative recommended to the affected customers resulted in cost-to-equity ratios exceeding 25 percent, meaning that the accounts would have had to grow by 25 percent just to cover the commissions and other costs charged to the accounts.

The suspension is in effect from January 3, 2022, through March 2, 2022. ([FINRA Case #2020065035203](#))

John Patrick Miller (CRD #5889623, Atlantic Beach, Florida)

December 22, 2021 – An AWC was issued in which Miller was fined \$2,500 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Miller consented to the sanctions and to the entry of findings that he changed the representative code for trades, causing the trade confirmations to show an inaccurate representative code and his member firm to maintain inaccurate books and records. The findings stated that Miller entered into an agreement wherein he agreed to service certain customer accounts, including executing trades for those accounts, under joint representative codes that he shared with a senior team member and a retired representative. The agreement set forth what percentages of the commissions each representative would earn on trades placed using the joint representative code. However, Miller placed trades in accounts that were covered by the agreement using his own personal representative code. Although the firm's system correctly prepopulated the trades with the applicable joint representative code, Miller changed the code to his personal representative code at the direction of the senior team member, who was friends with the retired representative. Miller incorrectly believed that the retired representative had agreed to the changes. Miller's actions resulted in his receiving higher commissions from the trades than he was entitled to receive pursuant to the agreement. Subsequently, the firm made restitution to the retired representative affected in the transactions and Miller reimbursed the firm \$12,185, which is the approximate amount of additional commissions that he received as a result of his changing the representative code on the trades.

The suspension was in effect from January 18, 2022, through February 7, 2022. ([FINRA Case #2020068810301](#))

Robert Emmett Pitiger (CRD #364117, Norwich, Vermont)

December 23, 2021 – An AWC was issued in which Pitiger 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, Pitiger consented to the sanctions and to the entry of findings that he falsified member firm documents. The findings stated that Pitiger obtained customer signatures on blank or incomplete documents, including new account documents, letters of authorization for movement of funds, an account transfer form and a transfer on death agreement. After obtaining customer signatures on the blank or incomplete documents, Pitiger added information to these documents to effect transactions requested by the customers and submitted them to the firm as originals. In addition, in some instances, to effect transactions requested by customers, Pitiger reused customer signatures on account transfer forms, new account applications and letters of authorizations that had not been signed by customers and submitted these documents to the firm as originals. In other instances, to effect transactions requested by customers, Pitiger altered entries on new account documents and letters of authorizations, using whiteout or black marker, after the customer had signed the document. In addition, Pitiger completed firm compliance questionnaires, in which he inaccurately stated that he had not obtained a customer's signature on a blank or incomplete document. The findings also stated that Pitiger caused the firm to maintain inaccurate books and records.

The suspension is in effect from January 3, 2022, through April 2, 2022. ([FINRA Case #2020065310601](#))

Mark Lloyd Post (CRD #6510445, Yukon, Oklahoma)

December 27, 2021 – An AWC was issued in which Post 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, Post consented to the sanctions and to the entry of findings that he forged customer signatures on transaction documents without the customers' authorization. The findings stated that one customer completed and signed a fixed index annuity application to replace a variable annuity, but it was returned because it needed corrections. Rather than returning the application to the customer to make the required changes, Post made the change and forged the customer's signature twice on the application, without the customer's authorization. Another customer completed and signed an individual retirement account (IRA) transfer request form to roll over their IRA from another custodian to Post's member firm. However, for this transaction a separate transfer of assets form should have been submitted. Instead of having the customer execute the transfer of assets form, Post completed the form and forged the customer's signature it. The findings also stated that Post falsified transaction documents. A third customer completed and signed an IRA transfer request form to transfer all funds from his IRA at the firm to a Transfer on Death account at the firm. When

the transfer request form was returned because it should have been marked as a normal IRA distribution, Post altered the form to decrease the amount of assets transferred, because an IRA liquidation could not be made through the transfer request form, and to correctly mark it as a normal distribution. The customer did not sign or initial the altered form prior to Post submitting it for processing. The findings also included that Post caused his firm to maintain inaccurate books and records by forging the transfer of assets form and falsifying the IRA transfer request form.

The suspension is in effect from January 3, 2022, through March 2, 2022. ([FINRA Case #2020065901001](#))

Lowell Vincent Kruger ([CRD #4183008](#), Bloomington, Minnesota)

December 29, 2021 – An AWC was issued in which Kruger was fined \$2,500 and suspended from association with any FINRA member in all capacities for 15 business days. In determining the appropriate sanctions in this matter, FINRA considered, among other factors, that on September 2, 2021, the State of Minnesota Department of Commerce entered a Consent Order that imposed a \$3,000 civil penalty on Kruger for violating Minnesota insurance laws by engaging in the misconduct at issue in this AWC. Without admitting or denying the findings, Kruger consented to the sanctions and to the entry of findings that he impersonated a customer of his member firm on telephone calls to an annuity company in order to effectuate a surrender of the customer’s annuity. The findings stated that during each of the telephone calls, Kruger represented to the annuity company that he was the customer and provided the customer’s personal identifying information for authentication purposes. Through these calls, Kruger was successful in effectuating the surrender. Although the customer requested that Kruger effectuate the surrender of the annuity, he did not give Kruger permission to impersonate him with the annuity company.

The suspension was in effect from January 18, 2022, through February 7, 2022. ([FINRA Case #2020066677701](#))

Michael Patrick Nixon ([CRD #2169631](#), Southport, North Carolina)

December 29, 2021 – An AWC was issued in which Nixon 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, Nixon consented to the sanctions and to the entry of findings that he recommended that a customer purchase a type of complex, structured product known as a “steepener” without having a reasonable basis for his recommendations. The findings stated that Nixon lacked an understanding of the risks associated with steepeners when he recommended that the customer purchase them. Specifically, Nixon failed to recognize the possibility that the yield curve on a steepener could quickly flatten, resulting in the customer having to choose between holding the products for an

extended period while receiving little to no interest, or selling the products in the secondary market for a substantial loss of principal. Indeed, soon after one of Nixon's recommendations that the customer purchase a steepener, the yield curve began to flatten. Subsequently, less than seven months after its purchase, Nixon recommended that the customer sell the steepener on the secondary market at a loss.

The suspension is in effect from January 3, 2022, through May 2, 2022. ([FINRA Case #2021071994801](#))

Sean Donovan Casterline (CRD #2212919, Sanford, Florida)

December 30, 2021 – An AWC was issued in which Casterline was fined \$5,000, suspended from association with any FINRA member in all capacities for 18 months and ordered to pay \$116,325, plus interest, to FINRA in disgorgement of selling compensation received. Without admitting or denying the findings, Casterline consented to the sanctions and to the entry of findings that he participated in private securities transactions without providing prior notice to his member firm. The findings stated that when Casterline became associated with the firm, he disclosed that he had an OBA as the managing director of private equity for an entity that was raising capital to develop and operate senior living facilities (the Issuer). But after joining the firm, Casterline signed agreements with the firm that prohibited him from participating in any private securities transactions while the firm was undergoing an ownership change, through which Casterline would become the indirect owner of the firm, which was pending FINRA approval. While registered through the firm and prior to FINRA's approval of the ownership change, Casterline participated in private securities transactions by soliciting investments in membership units issued by the Issuer. The membership units were securities. Casterline contacted prospective investors to notify them of the investment opportunity. Casterline then provided the private placement memorandum, subscription agreement and other offering materials to interested investors; participated in discussions about the proposed investment with interested investors; and facilitated the sale of approximately \$1.5 million of the membership units to investors. The Issuer paid Casterline \$116,325 in selling compensation for his participation in the transactions. While Casterline had notified the firm that he was engaged in an OBA with the Issuer, he did not provide prior written notice to or obtain written approval from the firm to participate in the sales of the Issuer's membership units. Casterline's participation in the membership unit securities transactions was outside the regular course and scope of his employment with the firm.

The suspension is in effect from January 18, 2022, through July 17, 2023. ([FINRA Case #2019061365002](#))

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.

Marco Antonio Rivera ([CRD #7003078](#), Chicago, Illinois)

December 8, 2021 – Rivera was named a respondent in a FINRA complaint alleging that he failed to provide a complete response to FINRA's requests for information and documents in connection with its investigation into his termination from his member firm in order to determine whether violations of federal securities laws or FINRA rules occurred. The complaint alleges that the firm filed a Form U5 disclosing that Rivera had been terminated as a result of his having improperly applied for, and received, a grant from the Small Business Administration without a legitimate business purpose. After multiple requests by FINRA, Rivera submitted information and documents, but his response was incomplete. Subsequently, Rivera submitted some, but not all of the information FINRA requested. Rivera failed to provide applications or documents submitted to the Small Business Administration or any other government entity in connection with any request for aid funds, certain tax returns, and information and documents pertaining to certain of his bank and brokerage accounts. The missing information and documents were material to FINRA's investigation into whether Rivera improperly applied for, and received, a grant from the Small Business Administration. ([FINRA Case #2020068740302](#))

Keith Todd Ashley ([CRD #4096004](#), Allen, Texas)

December 10, 2021 – Ashley was named a respondent in a FINRA complaint alleging that he failed to provide information requested by FINRA in connection with an investigation that began with reviewing the circumstances of his termination from his member firm and included whether he engaged in undisclosed outside business activities or participated in private securities transactions. Subsequently, FINRA began investigating the allegations set forth in a federal indictment, including whether Ashley defrauded investors or misappropriated funds from investors, including customers of the firm. A federal grand jury indicted Ashley on six counts of wire fraud alleging, among other things, that he solicited money from his victims under the pretense that he was investing those funds in a Unit Investment Trust (UIT). The indictment further alleged that Ashley made false statements when soliciting these investments, including that there were guaranteed returns and that there was no risk to the initial principal investment. According to the indictment, instead of investing the funds in a UIT, Ashley allegedly spent the more than \$1

million he solicited on personal expenses, such as spending at casinos, payments on personal credit cards, mortgage payments, and college tuition and student loan payments. The information FINRA sought from Ashley was material to its investigation of the circumstances surrounding his termination from the firm and to whether he had defrauded investors or misappropriated customer funds. Ashley's failure to answer FINRA's requests for information impeded and delayed FINRA's investigation. ([FINRA Case #2020068470002](#))

Roger Bruce Braxton II ([CRD #6271694](#), Austin, Texas)

December 22, 2021 – Braxton was named a respondent in a FINRA complaint alleging that he failed to provide information and documents requested by FINRA in connection with its investigation related to a Form U5 filed by his member firm that stated he had been discharged following an internal investigation that raised concerns regarding the accuracy of expense reporting he submitted. The complaint alleges that in connection with its investigation, FINRA requested that Braxton provide documents identifying purchases he made and submitted to the firm for reimbursement, including receipts, invoices and order confirmations. Braxton, through counsel, initially responded listing payments he claimed to have made to a company for purchases. However, Braxton did not provide any documents, including any receipts, invoices or order confirmations, regarding the purchases, and he provided no explanation for his failure to produce any of the other documents requested. Subsequently, Braxton did not provide any information or documents requested by FINRA. Braxton's failure to provide information requested by FINRA impeded its investigation and deprived it of material information in his possession. ([FINRA Case #2020066388801](#))

Tarek Mohsen Mohamed ([CRD #6717691](#), New Port Richey, Florida)

December 29, 2021 – Mohamed was named a respondent in a FINRA complaint alleging that he failed to provide information and documents requested by FINRA during its investigation into the circumstances of his termination from his member firm. The complaint alleges that the firm filed a Form U5 disclosing that it terminated Mohamed for violating standard of conduct rules and firm policies related to his failure to disclose, and solicitation of investments in, an OBA. The Form U5 also disclosed a complaint filed on behalf of Mohamed's client, alleging that he took \$46,000 in client funds and deposited them into an account in the name of Mohamed's company. The funds were delivered by the client in the form of two personal checks written to the company. Later, the firm filed an amendment to the Form U5 disclosing that a second complaint was filed on behalf of Mohamed's same client, alleging that he did not act in the client's best interest when he sold financial products to the client. Later, the firm disclosed that it had settled the complaints by refunding \$46,000 to the client and granting other relief. In response to FINRA's request, Mohamed provided FINRA with a partial response from his email account.

In a written statement, Mohamed admitted that he deposited \$46,000 in client funds into his business account but asserted that he returned the funds in cash to the 78-year-old client (less a commission) to help the client. Mohamed provided a single company bank statement that showed the first deposit of \$31,000 and a subsequent \$29,000 cash withdrawal. However, Mohamed did not provide any other information or bank statements for any personal or business bank accounts, brokerage statements, or any business or personal tax returns that had been requested by FINRA. Mohamed later emailed another partial response. Specifically, Mohamed provided a narrative response to some questions posed by FINRA but that response was incomplete because Mohamed still did not provide any other information or bank statements for any personal or business bank accounts, brokerage statements, or any business or personal tax returns. Mohamed emailed a third partial response providing responsive company bank statements. One company statement showed deposit of the client's \$15,000 check without a corresponding large cash withdrawal. Subsequently, FINRA sent Mohamed a notice informing him that he was suspended from associating with any FINRA member and warning him that he would be automatically barred if he did not request termination of the suspension on grounds of full compliance. To date, Mohamed has not fully complied with FINRA's requests and as a result he is currently suspended from associating in any capacity with any FINRA member. ([FINRA Case #2020067814802](#))

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.)

Joshua Gregory Baker (CRD #6463146)
Aliso Viejo, California
(December 27, 2021)
FINRA Case #2021070573101

Anthony Rashad Bookman (CRD #3185872)
Dallas, Texas
(December 20, 2021)
FINRA Case #2021070899201

Bernard Chevalier (CRD #6850578)
Jacksonville, Florida
(December 27, 2021)
FINRA Case #2021070726001

Michael D. Dorband (CRD #5770436)
Raytown, Missouri
(December 27, 2021)
FINRA Case #2021071383001

Ian Ha (CRD #5679255)
Los Angeles, California
(December 10, 2021)
FINRA Case #2020065613902

Ikea Huggins (CRD #6939133)
Robbinsville, New Jersey
(December 3, 2021)
FINRA Case #2021071186701

Narith Long (CRD #6598152)
Long Beach, California
(December 6, 2021)
FINRA Case #2020068938901

Frank Steve Mathis (CRD #5802498)
Irving, Texas
(December 16, 2021)
FINRA Case #2021070781901

Christopher Ogbuehi (CRD #7198569)
Dallas, Texas
(December 17, 2021)
FINRA Case #2021069415901

Noe Ramirez III (CRD #4975859)
Cedar Park, Texas
(December 13, 2021)
FINRA Case #2020067708101

Scarlett Deann Ramsey (CRD #6454817)
Lubbock, Texas
(December 3, 2021)
FINRA Case #2021071361201

Bobby Sullins (CRD #4173425)
Anniston, Alabama
(December 10, 2021)
FINRA Case #2021070304001

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.)

Antonio Bestard (CRD #5709439)
San Diego, California
(December 10, 2021)
FINRA Case #2021072252901

Kevin Karl Burckhard (CRD #1920694)
Minot, North Dakota
(December 6, 2021)
FINRA Case #2020068325701

Odalys Y. Duran (CRD #5777173)
Bronxville, New York
(December 17, 2021)
FINRA Case #2021071467001

Travis William Eiland (CRD #4127872)
Cove, Texas
(December 27, 2021)
FINRA Case #2021072188601

Jeremy W. Fortner (CRD #4811478)
Beverly Hills, California
(December 23, 2021)
FINRA Case #2021072176101

Thomas James Hagan (CRD #1259122)
Sarasota, Florida
(December 3, 2021)
FINRA Case #2021070365601

Forrest Jones (CRD #4880765)
Montgomery, Texas
(December 17, 2021)
FINRA Case #2020066745801

Evan David Jordan (CRD #6823530)
Renton, Washington
(December 6, 2021)
FINRA Case #2021072685501

Marc Frederick Korsch (CRD #5525226)
Sarasota, Florida
(December 27, 2021)
FINRA Case #2020066487801

Jun Ouyang (CRD #6920567)
New York, New York
(December 27, 2021)
FINRA Case #2021071994301

Bryan Andrew Richey (CRD #5255547)
Maryville, Tennessee
(December 6, 2021)
FINRA Case #2021071000201

Dennis Vincent Riordan (CRD #2412563)
Brandon, South Dakota
(December 3, 2021)
FINRA Case #2020068836601

Ebony Staples (CRD #7297835)
Woodridge, Illinois
(December 13, 2021)
FINRA Case #2021070354001

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.)

Christ Elias Baltas (CRD #2570499)
Hicksville, New York
(December 23, 2021)
FINRA Arbitration Case #21-01007

Timothy Michael Flynn (CRD #3247096)
Belle Harbor, New York
(December 23, 2021)
FINRA Arbitration Case #21-00426

Robert Royce Satterfield (CRD #2751455)
Washington, DC
(December 3, 2021)
FINRA Arbitration Case #20-00360

George Anthony Schmidt Jr. (CRD #1082936)
East Islip, New York
(December 3, 2021)
FINRA Arbitration Case #19-03307

Keith Wakefield (CRD #3250539)
Chicago, Illinois
(December 10, 2021)
FINRA Arbitration Case #20-00569

PRESS RELEASE

FINRA Announces Final Results of Targeted Examination of Unit Investment Trust Early Rollovers Settlements Reached with Six Member Firms Resulted in Nearly \$17 Million in Restitution to 10,000 Harmed Customers

FINRA announced that as a result of its targeted examination of Unit Investment Trust (UIT) early rollovers, FINRA has reached settlements with six member firms and obtained more than \$16.8 million in restitution to approximately 10,000 investors. All of the firms, including two that agreed to settlements today¹, failed to reasonably supervise early rollovers of UITs, which caused customers to incur potentially excessive sales charges.

A UIT is a form of investment company that offers investors shares, or “units,” in a fixed portfolio of securities in a one-time public offering that terminates on a specified maturity date, often after 15 or 24 months. UITs are generally intended as long-term investments and have sales charges based on their long-term nature, including deferred sales charges, and a creation and development fee. A registered representative who recommends that a customer sell his or her UIT position before the maturity date and then “roll over” those funds into a new UIT causes the customer to incur greater sales charges than if the customer had held the UIT until maturity, raising suitability concerns.

FINRA and other regulators conduct targeted exams, known as sweeps, to gather information from a discrete set of firms about specific and usually emerging issues of concern for the industry and investors. FINRA uses sweep information to focus examinations and to investigate whether compliance outcomes exist that warrant a range of regulatory responses to emerging issues, including disciplinary actions.

FINRA initiated the sweep of early UIT rollovers after finding a member firm failed to reasonably supervise early UIT rollovers in thousands of customers’ accounts. That firm agreed to a settlement requiring it to pay \$9.8 million in restitution and a \$3.25 million fine². As a result of the sweep, FINRA identified similar supervisory failures at six additional firms, all of which agreed to settlements requiring the firms to pay a total of \$16.8 million in restitution and \$6.6 million in fines.³

Jessica Hopper, Executive Vice President and Head of FINRA’s Department of Enforcement, said, “This multi-year effort reflects FINRA’s commitment to proactively identifying problems and providing restitution to harmed investors. These cases should serve as a clear reminder to member firms to ensure their supervisory systems are reasonably designed to supervise sales of all the products they offer. Firms should be particularly vigilant in identifying representatives who recommend trading strategies intended to generate commissions for the representative without regard for the intended use of the product.”

In June 2021, FINRA published an Investor Insights piece to help investors better understand UITs.

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- 1 See [FINRA Case No. 2016050947801](#).
 - 2 See [FINRA Case No. 2016048805501](#).
 - 3 The settlements reached as a result of the targeted examination include: [FINRA Case No. 2017053437701](#); [FINRA Case No. 2016050948201](#); [FINRA Case No. 2016050948101](#); [FINRA Case No. 2016050947801](#); and [FINRA Case No. 2016050947701](#).