



# 2022 Annual Conference

May 16 –18 | Washington, DC | Hybrid Event

---

## **Brokers With a Significant History of Misconduct**

**Tuesday, May 17, 2022**

**1:45 p.m. – 2:45 p.m.**

Join FINRA staff as they discuss the new rules concerning brokers with significant history of misconduct. Panelists review the implications of retaining or hiring brokers with such a history.

**Moderator:** Michael Garawski  
Associate General Counsel, Regulatory  
FINRA Office of General Counsel

**Panelists:** Patricia Dorilio  
Senior Director, Capital Markets Membership Application Program  
FINRA Member Supervision

Jennifer Crawford  
Vice President, Litigation  
FINRA Enforcement

Eric Hebert  
Director, High Risk Registered Representative Program  
FINRA Member Supervision

## Brokers With a Significant History of Misconduct Panelists Bios:

Moderator:



**Michael Garawski** is Associate General Counsel, Regulatory Practice & Policy, with FINRA's Office of General Counsel. In this role, Mr. Garawski directs and manages the complete life cycle of the adoption of new regulatory requirements, and he advises the FINRA Board of Governors, FINRA advisory committees, and senior FINRA management on regulatory initiatives and rule changes. Previously, he served as Associate General Counsel in FINRA's Appellate Group and as Assistant General Counsel with the Commodity Futures Trading Commission. He is a graduate of Boston College and the George Washington University Law School.

Panelists:



**Patricia Dorilio** became Senior Director in the Membership Application Program (MAP) group in November 2021 as lead of the Capital Markets firm group where, as a member of the MAP leadership team, she is responsible for the management and assessment of membership applications, as well as leading and implementing the strategic direction of the MAP program for the Capital Markets firm groupings. Prior to becoming a Senior Director, Ms. Dorilio was an Associate Director in the MAP group where she oversaw a team of managers and examiners in the execution of the application review program, including expedited reviews where applicable, to determine applicants' satisfaction of standards for FINRA membership, and

standards for firms' continuation of membership. That included the review and analysis of information and documentation relating to proposed business activities and securities products, and firms' structural and ownership changes. She has also completed the FINRA Excellence in Management Program at Wharton. Prior to joining MAP in 2011 as a MAP examiner, Ms. Dorilio was employed in the private sector, and immediately prior to that, held the position of Senior Special Counsel at the New York Stock Exchange. She began her career as an Assistant Attorney General in the New York State Attorney General's Office. Ms. Dorilio earned her Juris Doctor from the Maurice A. Dean School of Law at Hofstra University, and a B.A. in Political Science from Hofstra University. She is a member of the bar of the State of New York.



**Jen Crawford** is Vice President of Litigation in the Enforcement Department, responsible for overseeing Enforcement's nationwide litigation and appellate programs. Prior to assuming this role, she was a Hearing Officer in FINRA's Office of Hearing Officers. Ms. Crawford joined FINRA in 2012 and was a Director in Enforcement until 2018. Prior to joining FINRA, she was a Senior Counsel in the Division of Enforcement at the U.S. Securities and Exchange Commission where she investigated and litigated enforcement matters in federal court and in administrative proceedings. Ms. Crawford holds a B.S. in Finance from Seton Hall University and J.D. from Catholic University.



**Eric Hebert** is Investigative Director with FINRA's High Risk Registered Representatives specialist team and has been with FINRA since December 2003. In his role, Mr. Hebert manages specialized staff performing assessments and examinations of registered persons deemed to present heightened risk to investors and the markets. Mr. Hebert started his career in Member Supervision as an Examiner with NASD. Prior to joining NASD/FINRA, Mr. Hebert was a Supervisory Principal for MetLife and New England Securities, and responsible for approving securities investment applications and transactions for an OSJ branch office. Mr. Hebert has a Bachelor of Arts degree from Curry College and is a

Certified Fraud Examiner.

# Brokers With a Significant History of Misconduct

# Panelists

## ○ Moderator

- Michael Garawski, Associate General Counsel, Regulatory, FINRA Office of General Counsel

## ○ Panelists

- Patricia Dorilio, Senior Director, Capital Markets Membership Application Program, FINRA Member Supervision
- Jennifer Crawford, Vice President, Litigation, FINRA Enforcement
- Eric Hebert, Director, High Risk Registered Representative Program, FINRA Member Supervision

# Road Map for Discussion

- New FINRA Rules and Amendments
- Disciplinary Proceedings Rules
- Membership Proceedings Rules
- Expedited Proceedings Rules
- Eligibility Proceedings Rules
- BrokerCheck Rule
- Other General Considerations

# To Access Polling

- **Please get your devices out:**

- Type the polling address, <https://finra.cnf.io/sessions/x9ya> into the browser or scan the QR code with your camera.



- Select your polling answers.

# Polling Question 1

## 1. What size member firm do you work for?

- a. Large member firm
- b. Mid-size member firm
- c. Small member firm
- d. Other (do not work for a member firm)

Polling address: <https://finra.cnf.io/sessions/x9ya>



# Polling Question 2

## 2. What is your firm's grouping?

- a. Retail
- b. Capital Markets
- c. Carrying and Clearing
- d. Trading and Execution
- e. Diversified
- f. Don't know, what's a firm grouping?

Polling address: <https://finra.cnf.io/sessions/x9ya>





# Polling Question 3

3. What is your level of familiarity with the new rules concerning brokers with a significant history of misconduct?
- a. I'm already familiar with the new rules.
  - b. I'm somewhat familiar with the new rules.
  - c. I'm not familiar with the new rules.

Polling address: <https://finra.cnf.io/sessions/x9ya>



## Polling Question 4

4. Do you have any experience in working with any of the new rules concerning brokers with a significant history of misconduct?
- a. Yes
  - b. No

Polling address: <https://finra.cnf.io/sessions/x9ya>



# Polling Question 5

5. Have the new amendments to the MAP rules already impacted your work in anyway?
- a. Yes
  - b. No

Polling address: <https://finra.cnf.io/sessions/x9ya>



# Key Resources

- *FINRA Regulatory Notice 21-09*
- *FINRA Regulatory Notice 18-15*
- Key Topic Page – Protecting Investors from Misconduct



# 2022 Annual Conference

May 16 –18 | Washington, DC | Hybrid Event

---

## Brokers With a Significant History of Misconduct

Tuesday, May 17, 2022

1:45 p.m. – 2:45 p.m.

### Resources:

- Key Topic Page: Protecting Investors from Misconduct  
[www.finra.org/rules-guidance/key-topics/protecting-investors-from-misconduct](http://www.finra.org/rules-guidance/key-topics/protecting-investors-from-misconduct)
- FINRA Regulatory Notice 21-09, *FINRA Adopts Rules to Address Brokers With a Significant History of Misconduct* (March 2021)  
[www.finra.org/rules-guidance/notices/21-09](http://www.finra.org/rules-guidance/notices/21-09)
- FINRA Regulatory Notice 18-15, *Guidance on Implementing Effective Heightened Supervisory Procedures for Associated Persons With a History of Past Misconduct* (April 2018)  
[www.finra.org/rules-guidance/notices/18-15](http://www.finra.org/rules-guidance/notices/18-15)
- FINRA Regulatory Notice 18-17, *FINRA Revises the Sanction Guidelines* (May 2018)  
[www.finra.org/rules-guidance/notices/18-17](http://www.finra.org/rules-guidance/notices/18-17)
- Mapping of Disclosure Categories for FINRA Rule 1017(a)(7)  
[www.finra.org/sites/default/files/2021-04/mapping-disclosure-categories-rule-1017a7.pdf](http://www.finra.org/sites/default/files/2021-04/mapping-disclosure-categories-rule-1017a7.pdf)
- Checklist for Mandatory Materiality Consultations Under FINRA Rule 1017(a)(7)  
[www.finra.org/rules-guidance/guidance/materiality-consultation-process/checklist-under-rules-1017a6-a7#1017-a-7](http://www.finra.org/rules-guidance/guidance/materiality-consultation-process/checklist-under-rules-1017a6-a7#1017-a-7)
- FINRA Taping Rule (FINRA Rule 3170)  
[www.finra.org/rules-guidance/guidance/taping-rule](http://www.finra.org/rules-guidance/guidance/taping-rule)
- General Information on Statutory Disqualification and FINRA's Eligibility Proceedings  
[www.finra.org/rules-guidance/guidance/eligibility-requirements](http://www.finra.org/rules-guidance/guidance/eligibility-requirements)
- Interim Plans of Heightened Supervision FAQs  
[www.finra.org/sites/default/files/2021-06/HSP-interim-faq.pdf](http://www.finra.org/sites/default/files/2021-06/HSP-interim-faq.pdf)
- Sample Interim Plan of Heightened Supervision  
[www.finra.org/sites/default/files/2021-06/HSP-interim-sample.pdf](http://www.finra.org/sites/default/files/2021-06/HSP-interim-sample.pdf)