Disciplinary and Other FINRA Actions

Firm Expelled, Individual Sanctioned

BrokerBank Securities, Inc. (CRD #130116, Minnetonka, Minnesota), and Philip Paul Wright (CRD #2453688, Eden Prairie, Minnesota) August 18, 2023 – An Office of Hearing Officers (OHO) decision became final in which the firm was expelled from FINRA membership and Wright was barred from association with any FINRA member in all capacities. The sanctions were based on the findings that the firm and Wright permitted an unregistered person to act in a registered capacity. The findings stated that the firm, acting through Wright as its majority owner, Chief Executive Officer (CEO), Chief Compliance Officer (CCO), and Financial and Operational Principal (FINOP), contracted with an unregistered person to introduce his former customers to the firm. In exchange, the firm, acting through Wright, agreed to pay the unregistered person 90 percent of all commissions generated from those customers' transactions for a period of two years, and 30 percent of all such commissions for two years after that. Because the unregistered person had a prior disciplinary history, Wright determined that the firm would not sponsor his registration with FINRA. The unregistered person introduced customers to the firm, who made securities purchases totaling more than \$1.8 million. Wright identified himself as the registered representative for the customers' accounts. Other than approving the accounts and purchases, Wright had no role in the completion of subscription agreements or other documents required to open the customers' accounts or purchase securities in their accounts. Rather, Wright sent the unregistered person the documents required to open accounts with the firm and purchase securities. The unregistered person communicated with the customers and coordinated execution of the documents, and thereafter returned those documents to Wright. The findings also stated that the firm and Wright permitted the unregistered person, as a disqualified person, to associate with a firm. While engaged by the firm, the unregistered person consented to findings in a Letter of Acceptance, Waiver and Consent (AWC) and FINRA suspended him from associating with a FINRA member. The unregistered person was statutorily disgualified from conducting any securities business by virtue of the suspension. The firm and Wright were aware of regulatory actions involving the unregistered person, yet they did not submit a Membership Continuance Application (Form MC-400) application, they permitted him to improperly associate with the firm, and allowed him to engage in securities business until his termination from the firm. The findings also included that the firm, acting through Wright, paid \$101,598 to the unregistered person in compensation derived from commissions generated by the customers' purchases of securities. Moreover, of the unregistered person's compensation, the firm paid \$19,125 while he was statutorily disqualified from engaging

FINIA

Reported for October 2023

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).

Search for FINRA Disciplinary Actions

All formal disciplinary actions are made available through a publicly accessible online search tool called FINRA Disciplinary Actions Online shortly after they are finalized.

Visit <u>www.finra.org/</u> <u>disciplinaryactions</u> to search for cases using key words or phrases, specified date ranges or other criteria. in securities business and suspended from associating with a FINRA member. FINRA found that Wright failed to respond to FINRA's requests for information and documents related to the quantity of securities and principal amount invested in the securities by firm customers; the suitability of the securities purchased by the firm's customers, including the unregistered person's customers; compensation paid by the firm, acting through Wright, to any individuals in connection with the sale of the securities; Wright's supervision of the suitability of investments in securities by the firm's customers; whether the firm, through Wright, conducted reasonable due diligence into securities sold prior to selling them to the firm's customers; and whether the firm's written supervisory procedures (WSPs) were reasonably designed to comply with its obligations under FINRA rules and the federal securities laws. (FINRA Case #2022074278301)

Firm Fined, Individual Sanctioned

Network 1 Financial Securities Inc. (<u>CRD #13577</u>, Red Bank, New Jersey) and Michael Robert Molinaro (<u>CRD #2358346</u>, Staten Island, New York)

August 31, 2023 – An AWC was issued in which the firm was censured, fined \$200,000, ordered to pay \$533,587, plus interest, in restitution to customers, and required to remediate the issues identified in the AWC and implement a supervisory system, including WSPs, reasonably designed to achieve compliance with Rule 15I-1 of the Exchange Act of 1934 (Reg BI) and FINRA Rules 3110 and 2010. Molinaro was fined \$5,000 and suspended from association with any FINRA member in any principal capacity for three months. Without admitting or denying the findings, the firm and Molinaro consented to the sanctions and to the entry of findings that they did not establish, maintain, and enforce WSPs reasonably designed to achieve compliance with FINRA Rule 2111 and the Care Obligation of Reg BI as they pertain to excessive trading. The findings stated that the firm's WSPs did not set forth how the firm's supervisors should apply certain listed factors to identify potentially excessively traded accounts; did not identify what cost-to-equity ratio or turnover rate was suggestive of excessive trading; and did not provide supervisors with reasonable guidance about what steps they should take after identifying an excessively traded account. The WSPs also did not specify whether, or in what circumstances, supervisors should consider restricting the commissions that could be charged in a customer's account. Furthermore, the firm and Molinaro did not revise the firm's WSPs to reference Reg BI until eight months after the rule became effective. After Molinaro revised the firm's WSPs, they provided no guidance about what steps the firm's principals or representatives should take to prevent, detect, or promptly correct violations of, or to otherwise achieve compliance with, Reg BI. The findings also stated that the firm and Molinaro did not establish and maintain a reasonably designed supervisory system and did not identify and respond to red

flags of excessive trading. The firm received exception reports from its clearing firm that were relevant to identifying excessive trading—including a monthly report that flagged accounts with high cost-to-equity ratios. Instead of reviewing those reports. the firm limited its reviews to an internal report identifying the 100 accounts with the largest year-to-date aggregate commissions. However, that report excluded smaller accounts that had high commission amounts relative to their equity value. Moreover, even when the firm identified an excessively traded account, it did not take steps to further investigate the excessive trading and to act upon the results of the investigation. Molinaro, as the designated principal responsible for determining what actions the firm took upon identifying red flags of excessive trading, did not require the firm to take any steps until nearly two years after taking over this responsibility. As a result, in some instances representatives continued charging high commissions even after the firm had notice of excessive trading. Furthermore, after the firm began restricting the commissions that representatives could charge on individual trades in certain accounts, the restrictions often were not effective because they did not limit the number or frequency of trades or aggregate costs and commissions that could be charged to the affected accounts. As a result, representatives were not prevented from placing frequent trades in a customer's account after a restriction was in effect, thus earning commissions on a higher number of trades. The firm's representatives recommended that the customers place frequent trades, and the customers routinely relied on those recommendations. Collectively, the recommended trading caused these customers to pay more than \$533,500 in commissions and trading costs.

The suspension is in effect from September 18, 2023, through December 17, 2023. (FINRA Case #2021070851501)

Firms Fined

StratCap Securities, LLC fka SC Distributors, LLC (<u>CRD #151152</u>, Newport Beach, California)

August 10, 2023 – An AWC was issued in which the firm was censured and fined \$15,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it conducted a securities business while failing to maintain its minimum required net capital. The findings stated that the firm received capital contributions from its parent company totaling \$530,000, that caused it to fall below its minimum required net capital on 12 consecutive business days in approximately amounts ranging from \$58,000 to \$700,000. During this period of net capital deficiency, the firm continued to operate a securities business by acting as a wholesale distributor of private placement offerings. (FINRA Case #2022074311701)

CoreCap Investments, LLC (CRD #37068, Southfield, Michigan)

August 15, 2023 – An AWC was issued in which the firm was censured and fined \$60,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it operated more offices than permitted in its membership agreement without filing a Continuing Membership Application for a material change in business operations and without obtaining approval from FINRA. The findings stated that the firm was advised that it had exceeded the number of offices in its membership agreement. In response, the firm filed a Continuing Membership Application requesting approval for a business expansion. Subsequently, the firm executed membership agreements permitting it to operate 55 offices (registered and unregistered), which includes the main office. Despite the firm's representation in its membership agreements, it operated 82 offices and had thereby expanded its permitted business operations by 27 offices and exceeded the safe harbor established by FINRA Interpretive Material 1011-1 by 11 offices. Although the firm recognized that it had expanded its business beyond its membership agreement and the safe harbor, it failed to reduce its number of offices to the permitted number of offices until a year after it discovered the violation and approximately five months after FINRA advised the firm that it had exceeded the number of offices allowed by its membership agreement and the safe harbor. (FINRA Case #2021069368801)

Goldman Sachs & Co. LLC (CRD #361, New York, New York)

August 16, 2023 – An AWC was issued in which the firm was censured and fined \$425,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report, or inaccurately reported, over-the-counter (OTC) options positions to the Large Options Positions Reporting (LOPR) system. The findings stated that the firm's systems for reporting OTC options positions to the LOPR failed to recognize that certain customer accounts were under common control or acting in concert. The findings also stated that the firm failed to reasonably supervise LOPR reporting. The firm's automated system that identified acting-in-concert accounts that shared certain characteristics, such as the same beneficial owner or investment advisor, was too restrictive to be effective on its own. In addition, the firm failed to conduct a manual review for institutional investors accounts as a result of an oversight during a transfer of LOPR reporting responsibilities from one department to another within the firm. As a result of a FINRA inquiry, the firm identified the process gap and implemented revised manualand automated review processes. (FINRA Case #2020068197401)

Instinet, LLC (CRD #7897, New York, New York)

August 16, 2023 – An AWC was issued in which the firm was censured, fined \$3,800,000 and required to retain an independent consultant to conduct a comprehensive review of the adequacy of the firm's compliance with its

Consolidated Audit Trail (CAT) reporting obligations and related obligations. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to timely and accurately report data for tens of billions of order events to the CAT Central Repository. The findings stated that the firm hired a third-party vendor to act as its CAT reporting agent. However, the firm failed to maintain adequate technical specifications for its order data that would have allowed the data to be converted into a CAT-reportable format. Moreover, the firm's technical specifications were not widely understood by certain individuals at the firm. This significantly hindered the reporting agent's ability to convert the firm's data into a format that could be used for CAT reporting. The firm subsequently notified FINRA that it anticipated it would experience CAT reporting issues when required reporting started in June 2020. As a result, the firm failed to timely report to the CAT Central Repository over 5.2 billion equities and options order events, which constituted approximately 17 percent of the firm's CAT reporting obligation during that period. The firm had reported 2.7 billion of the late order events by October 2020, but did not report the remaining late order events until five months later. Subsequently, the firm completed the roll out of a new code that addressed some of the causes of the reporting errors. Unrelated to the data conversion issue, the firm experienced late reporting issues in connection with at least 26 billion events, which constituted approximately eight percent of the firm's CAT reporting obligation for that period. These late reports were caused by a variety of issues, such as the reporting agent's insufficient capacity to process the firm's order event volume. The problems translating order data and other configuration issues also caused the firm to report inaccurate data for billions of other order events. The firm identified approximately 180 different types of CAT reporting errors, including inaccurate share quantity, handling instructions, department type codes, customer display instruction flags, and event timestamps. The findings also stated that the firm failed to establish and maintain a supervisory system, including written procedures, reasonably designed to achieve compliance with CAT reporting rules. The firm did not conduct a supervisory review of the accuracy of data it reported to the CAT Central Repository until the third guarter of 2021. Even then, the firm conducted this review only once per quarter. This frequency was not reasonable given the volume of data that it reports to the CAT Central Repository, each quarter averaging billions of CAT events. Further, the firm did not reasonably respond to red flags of significant problems with the accuracy of its CAT reports. While the firm became aware of reporting issues in 2020, it did not reasonably respond to its CAT reporting errors until FINRA raised concerns to the firm in 2021. Later, the firm began to expedite its remediation program, but the remediation of known issues is still not complete. (FINRA Case #2020067139101)

Cantor Fitzgerald & Co. (CRD #134, New York, New York)

August 17, 2023 – An AWC was issued in which the firm was censured and fined \$100,000. Without admitting or denying the findings, the firm consented to the

sanctions and to the entry of findings that it published public quarterly reports on its handling of customers' orders in National Market System (NMS) securities that failed to disclose required information and provided inaccurate and incomplete information. The findings stated that when the firm published a quarterly Rule 606(a) report that report failed to disclose required material aspects of the firm's relationship with one of its specified execution venues, including a description of the firm's payment for order flow and profit-sharing relationship with the venue. The venue was the firm's only execution venue for NMS stocks in that guarter, and it passed along exchange rebates and applied credits to reduce the firm's overall execution costs. The firm had previously received warnings from FINRA regarding the accuracy of its Rule 606(a) reports and had corrected the reports at issue. In addition, after the Securities and Exchange Commission (SEC) adopted amendments to Rule 606, the firm published a Rule 606(a) report that did not provide the information required with respect to NMS securities that are options contracts. In the firm's report, tables were empty instead of providing required data, and sections labeled material aspects were blank. After the firm learned of these deficiencies from FINRA, it published an amended report that continued to be deficient in that it misidentified two execution venues, and it did not include required information on the net aggregate amount of payment for order flow received, payment from any profit-sharing relationship received, transaction fees paid, and transaction rebates received, both as a total dollar amount and on a per share basis. The findings also stated that the firm's supervisory system, including WSPs, was not reasonably designed to achieve compliance with Rule 606(a). The firm's WSPs only addressed its obligation to report orders in listed options, not NMS stocks. The firm later addressed this particular deficiency in revised WSPs. Separately, the firm failed to enforce its WSPs regarding Rule 606(a) in that it did not review reports prior to publishing them, which resulted in the deficiencies described above. Subsequently, the firm appropriately took remedial measures by making additional revisions to its WSPs, including to address the amendments to Rule 606(a) and recent guidance from FINRA and the SEC, and by implementing additional reviews of its reports prior to publishing. (FINRA Case #2020065104701)

Lebenthal Financial Services, Inc. (CRD #137988, Jericho, New York)

August 31, 2023 – An AWC was issued in which the firm was censured and fined \$50,000. 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 creation, use, and dissemination of consolidated reports. The findings stated that the firm prohibited its registered representatives from creating, using, and disseminating to customers consolidated reports, however, it did not have any system or procedures to identify when such events occurred in violation of the prohibition. In spite of the firm's prohibition, a representative created hundreds of consolidated reports, and he disseminated an unknown number of those reports

to his customers. Subsequently, the firm revised its WSPs to permit the use of consolidated reports with prior approval from a designated principal and subject to supervisory review. The findings also stated that the firm disseminated consolidated reports that omitted material disclosures to customers. The reports failed to provide a sound basis for evaluating the content. The findings also included that the firm failed to preserve copies of the consolidated reports disseminated to customers. (FINRA Case #2021069350601)

Individuals Barred

Ashley Fenderson (CRD #7013767, Milwaukee, Wisconsin)

August 1, 2023 – An AWC was issued in which Fenderson was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Fenderson consented to the sanction and to the entry of findings that she refused to produce information and documents requested by FINRA during an investigation that originated from its review of a Uniform Termination Notice for Securities Industry Registration (Form U5) filed by her member firm that reported that she had been permitted to resign due to misuse of fraternal funds. (FINRA Case #2022076450301)

William Henry Weisbrod (CRD #812664, Montville, New Jersey)

August 2, 2023 – An AWC was issued in which Weisbrod was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Weisbrod consented to the sanction and to the entry of findings that he breached fiduciary duties owed to a community bank for which he served as an advisory director and consultant. The findings stated that the bank was a customer of Weisbrod's member firm and relied upon his investment knowledge and experience to determine its investment strategy. Weisbrod breached his fiduciary duties to the bank by directing it to engage in an investment strategy that generated revenue for Weisbrod but exposed the bank to excessive risk and unnecessary trading costs. At Weisbrod's recommendation, the bank opened brokerage accounts at the firm with a registered representative who worked in the same office as Weisbrod. Although Weisbrod represented to the firm that he would not be involved with the bank's investments through it, Weisbrod directed the trading in the bank's accounts. Weisbrod recommended that the bank engage in a risky trading strategy involving fixed-income securities purchased through the firm. Weisbrod's trading generated over \$1 million in commissions for the registered representative assigned to the bank's accounts, who directed more than \$370,000 of these commissions to Weisbrod, through a series of payments that Weisbrod did not disclose to the bank. Weisbrod recommended that the bank trade through the firm even though it lacked a fixed-income trading desk. Because the firm lacked a fixed-income trading desk,

it had to use a third-party "broker's broker" to acquire fixed-income securities for the bank, which caused the bank to pay approximately \$1.25 million in additional markups to the broker's broker. Weisbrod did not disclose these markups to the bank. As a result of Weisbrod's trading strategy, the bank spent more than \$600,000 to remediate the risk of its investment portfolio. The findings also stated that Weisbrod falsely represented to the firm that he was not involved with the bank's investments through it in connection with the firm's inquiry into his outside business activity (OBA) involving the bank. (FINRA Case #2020065297001)

Timothy James Breslin (<u>CRD #2981153</u>, Spring City, Pennsylvania)

August 3, 2023 – An AWC was issued in which Breslin was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Breslin consented to the sanction and to the entry of finding that he provided falsified bank account statements and checks to FINRA in response to a request for documents, made false statements to FINRA in response to a request for information, and made false statements to FINRA during on-the-record testimony. The findings stated that the requested information concerned the allegations in a Form U5 filed by Breslin's member firm that reported he had been discharged for initiating unfunded automated clearing house (ACH) transfers to his personal account and initially lacked candor regarding the same. In response to the request for information from FINRA, Breslin stated that he had traveled with his brother and a friend and each of these individuals wrote him a check for \$5,000 to reimburse him for expenses on the trip. Breslin claimed he deposited both checks into his bank account, but the checks bounced when he deposited them. However, Breslin's statements were false because he did not receive or deposit a \$5,000 check from his brother or friend during the relevant period of the request. FINRA further requested that Breslin provide copies of the checks and that he identifies the corresponding check deposits on his bank account statements. Breslin responded with three falsified checks: the check from his brother; a check from his friend; and another \$5,000 check from his friend, which purportedly replaced the prior check from his friend that bounced. On the check from Breslin's brother, Breslin altered the date and amount of the check and removed any identifiable information related to the check's deposit. For the checks from Breslin's friend, Breslin altered the amount and date of both checks and altered the deposit number of one of the checks. Breslin also provided a falsified copy of his bank account statement, listing deposits of the falsified checks. Specifically, Breslin inserted three deposits into the account statements, but the balance in his account did not change. The morning of Breslin's testimony, he produced another falsified version of his bank account statements. This time Breslin inflated the running balances listed on the statements to falsely reflect deposits of the checks he purportedly received from his brother and friend. Breslin also provided false testimony by claiming he had received and deposited checks from his brother and friend and that he had submitted genuine bank account statements and checks to FINRA. (FINRA Case #2022076523201)

Lickhai Quach (CRD #2804704, Silver Spring, Maryland)

August 7, 2023 – An AWC was issued in which Quach was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Quach 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 the circumstances surrounding his termination from his member firm. The findings stated that the firm filed a Form U5 stating that Quach was permitted to resign while under review by the firm for violating firm policy related to borrowing funds from a client. (FINRA Case #2023078163901)

Raymond William Clark (CRD #2865619, Farmingdale, New Jersey)

August 9, 2023 – An AWC was issued in which Clark was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Clark consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA while it sought to investigate, among other issues, his role in the potential churning; excessive trading; unauthorized trading of customer accounts; supervision of other registered representatives for potential excessive trading and/or churning of customer accounts; potential violations of rules intended to safeguard non-public personal customer information; and potential violations of recordkeeping rules. (FINRA Case #2022076459304)

Vincent Pucciarelli Jr. (CRD #2039846, Monroe Township, New Jersey)

August 9, 2023 – An AWC was issued in which Pucciarelli was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Pucciarelli consented to the sanction and to the entry of findings that he refused to provide on-the-record testimony requested by FINRA in connection with an investigation into sales of pre-initial public offer (IPO) private placement offerings. (FINRA Case #2022074096802)

Lucy Yi Lin (CRD #7449972, Jersey City, New Jersey)

August 10, 2023 – An AWC was issued in which Lin was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Lin consented to the sanction and to the entry of findings that she refused to produce information or documents requested by FINRA as a part of its investigation into the allegations made in a Form 4530 filing by her member firm that stated it terminated her due to concerns that she violated firm policy regarding expense reimbursement. (FINRA Case #2022075872401)

Robert Juan Escobio (CRD #703813, Coral Gables, Florida)

August 11, 2023 – An SEC decision became final in which Escobio was barred from association with any FINRA member in all capacities. The SEC decision affirmed the findings of violations and the sanction imposed by the National Adjudicatory Counsel (NAC). The SEC sustained FINRA's finding that Escobio violated FINRA rules by failing to comply with requests for on-the-record testimony and requests for information and documents. The SEC agreed that the bars FINRA imposed for both violations were necessary to protect the investing public from an individual who would impede a regulatory investigation, and deter others tempted to do the same. The SEC also determined that FINRA properly granted summary disposition as to both liability and sanctions. With respect to liability, the SEC observed that Escobio's receipt and failure to comply with FINRA's requests were undisputed, and his arguments that his failure to comply was excusable lacked support. With respect to require a hearing on mitigation. (FINRA Case #2018059545201)

Wesley Howard Triani (CRD #1025539, Bayport, New York)

August 23, 2023 – An AWC was issued in which Triani was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Triani consented to the sanction and to the entry of findings that he refused to provide documents and information requested by FINRA as a part of its investigation into the circumstances giving rise to a Form 4530 filing. (FINRA Case #2023078620901)

J. Richard Matheis (CRD #869179, Sharpsburg, Georgia)

August 24, 2023 – An AWC was issued in which Matheis was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Matheis consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA as part of its investigation into whether he engaged in any sales practice violations. (FINRA Case #2021072000901)

Individuals Suspended

Lilia Nia fka Lilia Niyazova (CRD #6018019, Wharton, New Jersey)

August 2, 2023 – An AWC was issued in which Nia was assessed a deferred fine of \$5,000, suspended from association with any FINRA member in all capacities for one year and ordered to pay deferred disgorgement of a portion of the commissions received in the amount of \$150,000. In light of Nia's financial status, the sanctions do not include full disgorgement or interest. Without admitting or denying the findings,

Nia consented to the sanctions and to the entry of findings that she effected unauthorized transactions in a community bank's account, which was a customer of her member firm, without obtaining instructions from any person authorized to conduct trading for the bank. The findings stated that Nia accepted orders for the bank's trading from a firm registered representative who was an advisory board member for the bank but not authorized to place orders for the bank and also permitted the representative to place orders for the bank. The trading effected by Nia, based upon instructions from the other representative, caused the bank to take excessive risk. The trading for the bank generated approximately \$1 million in commissions for Nia. more than \$370.000 of which she transmitted to the other representative through a series of separate business and financial transactions. Because the firm lacked its own fixed-income trading desk, it was frequently required to use a "broker's broker" to acquire fixed income securities for the bank, which resulted in it paying approximately \$1.25 million in markups to the broker's broker, in addition to commissions to the firm. As a result of this trading, the bank also spent more than \$600,000 to remediate the risk of its investment portfolio.

The suspension is in effect from August 7, 2023, through August 6, 2024. (FINRA Case #2020065297002)

Robert Vincent Judge (CRD #1147009, Fenton, Missouri)

August 3, 2023 – An AWC was issued in which Judge 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, Judge consented to the sanctions and to the entry of findings that he permitted his business partner to falsify his own signature and customer signatures on account documents. The findings stated that in certain instances, Judge signed his own name on documents after his business partner signed for the customer. The account documents, which included new account applications, money transfer forms, and Individual Retirement Account (IRA) contribution and distribution forms, were required books and records of his member firm. None of the customers complained. The findings also stated that Judge caused his firm to maintain inaccurate books and records.

The suspension is in effect from August 7, 2023, through December 6, 2023. (FINRA Case #2021072406602)

Bradley Thomas Wastler (CRD #868378, Kirkwood, Missouri)

August 3, 2023 – An AWC was issued in which Wastler was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for 10 months. Without admitting or denying the findings, Wastler consented to the sanctions and to the entry of findings that he forged or falsified customer and registered representative electronic signatures on account documents. The

finding stated that at least nine of the customers' names were signed without their permission. Wastler also electronically signed the name of another representative, his business partner, on account documents, at least some of which were without the representative's permission. None of the customers complained. In addition, Wastler falsely attested in a compliance questionnaire that he had not signed or affixed another person's signature on a document. The findings also stated that by forging and/or falsifying customer and registered representative signatures, Wastler caused his member firm to maintain inaccurate books and records.

The suspension is in effect from August 7, 2023, through June 6, 2024. (FINRA Case #2021072406601)

Shane Nowosacki (CRD #5064451, Howell, New Jersey)

August 4, 2023 – An AWC was issued in which Nowosacki was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Nowosacki consented to the sanctions and to the entry of findings that he engaged in an OBA without providing prior written notice to his member firm. The findings stated that Nowosacki requested approval from the firm to act as a general agent for an outside insurance company and it denied his request. Thereafter, while he was associated with the firm, Nowosacki sold fixed annuity contracts to firm customers and received compensation of approximately \$7,210. These sales were outside the scope of Nowosacki's relationship with the firm.

The suspension was in effect from August 7, 2023, through September 6, 2023. (FINRA Case #2021073533701)

Michael Ramon DeLao (CRD #2406749, Georgetown, Texas)

August 8, 2023 – An AWC was issued in which DeLao was fined \$2,500 and suspended from association with any FINRA member in all capacities for three months. In consideration of a sanction already levied by DeLao's member firm, FINRA made a corresponding reduction to the fine it imposed. Without admitting or denving the findings, DeLao consented to the sanctions and to the entry of findings that he failed to timely amend his Uniform Application for Securities Industry Registration or Transfer (Form U4) to disclose that he had been charged with, and subsequently been found guilty of, a felony. The findings stated that DeLao was charged in an Arizona State court with an offense deemed a felony and the court found him guilty. At that time, the court imposed conditions on DeLao that if successfully completed would lead the court to ultimately reclassify the offense a misdemeanor, which the court later did. Prior to that, the offense to which DeLao pleaded guilty was considered a felony offense for all purposes under Arizona law. As a result, DeLao was required to disclose that he was charged with a felony offense within 30 days of being charged and that he had been found guilty of that offense within no more than 10 days of the court's entry of judgment against him. However, DeLao failed to make any such disclosure until years later. In addition, DeLao falsely

stated on annual compliance questionnaires that he had no arrests that had not been disclosed to the firm.

The suspension is in effect from September 5, 2023, through December 4, 2023. (FINRA Case #2022076500001)

Kevin Joe Hall (CRD #5684384, Broken Arrow, Oklahoma)

August 8, 2023 – An AWC was issued in which Hall 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, Hall consented to the sanctions and to the entry of findings that he improperly used his member firm's funds by incurring \$725 in charges on his corporate credit card and submitting an expense report with inaccurate information. The findings stated that these charges were made by Hall or with his knowledge during a personal trip to a night club. Hall was not entitled to use the corporate credit card for non-business purposes. Nonetheless, Hall submitted to the firm an expense report containing inaccurate information regarding the non-business charges and the firm paid the expenses.

The suspension is in effect from August 21, 2023, through December 20, 2023. (FINRA Case #2021072523701)

Bryan Adem Joseph (CRD #7505049, Charlotte, North Carolina)

August 9, 2023 – An AWC was issued in which Joseph 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, Joseph consented to the sanctions and to the entry of findings that he possessed and had access to his cell phone while taking the General Securities Representative (Series 7) examination. The findings stated that Joseph took the examination at his home, using a remote delivery platform. Prior to beginning the examination, Joseph attested that he had reviewed and would abide by FINRA's Rules of Conduct, which require candidates to store all personal items outside the room where they take the examination and prohibit access to personal items, including cell phones, during the examination. Prior to beginning the examination, Joseph also told the proctor that his cell phone was stored in another room.

The suspension is in effect from August 21, 2023, through February 20, 2025. (FINRA Case #2023077842701)

Richard S. Siminou (CRD #5605796, Kings Point, New York)

August 31, 2023 – An AWC was issued in which Siminou was fined \$5,000, suspended from association with any FINRA member in all capacities for four months, and ordered to pay \$17,021, plus interest, in restitution to customers. Without admitting or denying the findings, Siminou consented to the sanctions and to the entry of findings that he excessively and unsuitably traded two elderly customer accounts. The findings stated that this trading resulted in an annualized cost-to-equity ratio

of over 29 percent and 34 percent, respectively. As a result of Siminou's unsuitable recommendations, the customers paid \$17,021 in commissions and fees.

The suspension is in effect from September 18, 2023, through January 17, 2024. (FINRA Case #2019064511205)

Decision Issued

The OHO issued the following decision, which has been appealed to or called for review by the NAC as of August 31, 2023. The NAC may increase, decrease, modify or reverse the findings and sanctions imposed in the decision. Initial decisions where the time for appeal has not yet expired will be reported in future FINRA Disciplinary & Other Actions.

Suzanne Marie Capellini (CRD #1357703, New York, New York)

August 4, 2023 – Capellini appealed an OHO decision to the NAC. Capellini was barred from association with any FINRA member in all capacities. No other sanctions are imposed because of the bar. The sanction was based on findings that Capellini provided false and misleading responses and an altered document to FINRA in response to its requests related to low-priced securities trading activity in accounts held by her husband at her member firm. The findings stated that evidence makes it very clear that Capellini altered one document before providing it to FINRA by jaggedly cutting off the bottom almost three-quarters of an inch of each page of the form provided. Capellini also acted intentionally to mislead FINRA and continued to disavow responsibility for her actions even up through the hearing. The findings also stated that Capellini failed to establish and implement an anti-money laundering (AML) program reasonably designed to cause the detection and reporting of suspicious low-priced securities activity under the Bank Secrecy Act (BSA). Capellini failed to detect or investigate many red flags of suspicious activity in a customer's account, some of which may have been reportable. While trading in low-priced securities was a tiny fraction of her firm's overall business, Capellini's failures were systemic and widespread, encompassing all low-priced securities activity at the firm. In addition, Capellini's misconduct led to the potential for her own monetary gain because her husband used nearly \$400,000 in low-priced securities proceeds for their household living expenses, such as rent and tuition. Capellini's misconduct demonstrated a lack of understanding of the AML rules and her duties as an antimoney laundering compliance officer (AMLCO) and compliance professional.

The sanction is not in effect pending review. (FINRA Case #2020066627202)

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

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

Viant Capital LLC (CRD #46948) San Francisco, California (August 7, 2023)

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.)

David Bruce Burch (CRD #1136307) Benson, Arizona (August 14, 2023) FINRA Case #2022077353701

Timothy Claypool (CRD #4729794) Amarillo, Texas (August 28, 2023) FINRA Case #2021073166102

Ebony Imani Parks (CRD #6841447) Davenport, Iowa (August 29, 2023) FINRA Case #2021073074202

Rashawn Ronandi Russell (CRD #6982850) Brooklyn, New York (August 11, 2023) FINRA Case #2022077128101

Daniel Abraham Santos (CRD #6427171) West Reading, Pennsylvania (August 25, 2023) FINRA Case #2022073951301

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.)

Daniel Zachariah Ditch (CRD #7099200) Manor, Texas (August 7, 2023) FINRA Case #2022077406801

Stephen Jones (CRD #7454000) Troy, Michigan (August 18, 2023) FINRA Case #2023078063901

Robert Leo Luley Jr. (CRD #4176139) Rock Hill, South Carolina (August 14, 2023) FINRA Case #2018060896201

Jack B. McBride (CRD #2517946) Troy, Michigan (August 28, 2023) FINRA Case #2019061937601

Hector Robert Negrete (CRD #4718683) Manteca, California (August 18, 2023) FINRA Case #2023078591501

Shawn Michael O'Connell (CRD #4007788) Tinton Falls, New Jersey (August 18, 2023) FINRA Case #2022076563501

Steven William Thompson (CRD #7133484) West Babylon, New York (August 11, 2023) FINRA Case #2022073679002/FPI230004 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.)

Carl Max Birkelbach (CRD #1177843) Chicago, Illinois (December 22, 2022 – August 30, 2023) FINRA Arbitration Case #17-02211

Ronald Diaz (CRD #5283407) Oro Valley, Arizona (August 2, 2023) FINRA Arbitration Case #23-00529

Albert Foronda (CRD #5737620) Staten Island, New York

(August 31, 2023) FINRA Arbitration Case #22-02758

Jorge L. Garzon Baquero (CRD #6847919)

Brooklyn, New York (August 14, 2023) FINRA Arbitration Case #23-00019

Eduardo Andrew Martinez (CRD #5950799)

Greenwich, Connecticut (August 22, 2023 – August 30, 2023) FINRA Arbitration Case #21-01565