

BEFORE THE NATIONAL ADJUDICATORY COUNCIL  
FINANCIAL INDUSTRY REGULATORY AUTHORITY

In the Matter of

The Association of

Randie Sanford

as a

Non-Registered Fingerprint Individual

with

Kingswood Capital Partners, LLC

Notice Pursuant to  
Rule 19h-1  
Securities Exchange Act  
of 1934

SD-2406

October 28, 2025

**I. Introduction**

On August 1, 2024, Kingswood Capital Partners, LLC (“Kingswood” or the “Firm”) filed a Membership Continuance Application (the “Application”) with FINRA. The Application seeks to permit Randie Sanford (“Sanford”), a person subject to statutory disqualification, to associate with the Firm as a non-registered fingerprint individual. A hearing was not held in this matter. Rather, pursuant to FINRA Rule 9523(a), FINRA’s Department of Member Supervision (“Member Supervision”) recommended to the Chairperson of the Statutory Disqualification Committee, acting on behalf of the National Adjudicatory Council, that it approve Sanford’s association with the Firm pursuant to the terms and conditions set forth below.

For the reasons explained below, we approve the Application to permit Sanford to associate with the Firm as a non-registered fingerprint individual.

**II. The Statutorily Disqualifying Event**

Sanford is statutorily disqualified due to FINRA’s acceptance, on December 6, 2010, of a Letter of Acceptance, Waiver and Consent (the “Disqualifying AWC”). Without admitting or denying any findings, Sanford agreed to the Disqualifying AWC finding that she willfully failed to disclose material information on her Uniform

Application for Securities Industry Registration or Transfer (“Form U4”).<sup>1</sup> Specifically, the Disqualifying AWC found that Sanford willfully failed to disclose: (1) an October 2005 federal tax lien in the amount of \$19,908.66, which Sanford satisfied in June 2008; (2) an April 2008 judgment in favor of Teacher Next Door, Inc. in the amount of \$544.62, which Sanford satisfied in February 2009; (3) a May 2009 judgment in favor of Jaguar Credit Corp. in the amount of \$21,836.60, which Sanford satisfied in August 2024; (4) a June 2009 judgment in favor of Capital One Bank in the amount of \$2,493.98, which Sanford satisfied in August 2024; and (5) a February 2010 judgment in favor of Tribeca Asset Management in the amount of \$7,803.16, which Sanford satisfied in May 2016.<sup>2</sup> Sanford consented to an eight-month suspension from associating in any capacity with any FINRA member firm and a \$5,000 fine. Sanford served the suspension and paid the fine in full.

Sanford states that during the period prior to the Disqualifying AWC, she faced “significant personal challenges,” including a contentious divorce and previous tax liens. Sanford states that these circumstances strained her financial and emotional well-being. Sanford further states that since the Disqualifying AWC, she has taken “substantial steps to restore [her] financial health and stability,” including payment of outstanding liens and judgments, as described herein. Sanford represents that she has a “deep understanding of the mistakes I made in my past” and she aims “to prevent any future issues and demonstrate my dedication to maintaining the highest standards of professional conduct.”

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<sup>1</sup> FINRA’s By-Laws provide that a person is subject to “disqualification,” and thus must seek and obtain FINRA’s approval prior to associating with a member firm, if she is disqualified under Section 3(a)(39) of the Securities Exchange Act of 1934 (“Exchange Act”). *See* FINRA By-Laws, Art. III. Exchange Act Section 3(a)(39)(F) provides that a person is subject to statutory disqualification if she has willfully made a false or misleading statement of material fact or has omitted a material fact required to be disclosed, in any application or report filed with a self-regulatory organization.

Question 14.M of Form U4 asks, “Do you have any unsatisfied judgments or liens against you?” Article V, Section 2(c) of FINRA’s By-Laws requires that an associated person keep her Form U4 current at all times and to update information on the Form U4 within 30 days. Further, FINRA Rule 1122 states that, “[n]o member or person associated with a member shall file with FINRA information with respect to membership or registration which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof.”

<sup>2</sup> The Disqualifying AWC also contained a finding that Sanford violated NASD Rule 2110 by writing checks when she knew or should have known that she lacked sufficient funds in the relevant account to cover payment.

### III. Background Information

#### A. Sanford

##### 1. Employment History

Sanford first registered as a general securities representative in November 1991. She also passed the uniform securities agent state law examination in August 1992. Although these registrations have expired, Sanford passed the uniform investment adviser law examination in July 2024. Sanford associated with Kingswood Wealth Advisors, LLC (“Kingswood Advisors”), the Firm’s affiliated investment adviser, in July 2024.<sup>3</sup> Sanford was previously associated with six different member firms. She has not been associated with a broker-dealer since December 2013.

##### 2. Customer Complaints and Other Judgments

Other than the Disqualifying AWC, the record shows that two customers filed complaints against Sanford. In April 2005, a customer filed a complaint against Sanford alleging that she made unsuitable recommendations and misrepresented activity in the customer’s account. The customer alleged damages of \$158,000. Sanford’s firm denied the complaint in March 2006. In September 2016, customers filed a complaint with a firm where Sanford was employed from December 2008 until October 2010. The complaint alleged that Sanford made misrepresentations concerning the base interest rate in a fixed accumulation account and alleged \$5,332 in damages. The firm settled the complaint for \$5,972. Sanford did not personally contribute to the settlement.

In addition, Sanford currently has one outstanding judgment against her. In April 2011, a judgment in favor of Cypress Financial Recoveries LLC (“Cypress”) in the amount of \$11,345.54 was entered against Sanford. The record shows that in connection with the Application, Sanford, in July 2024, engaged a company to conduct a search of outstanding judgments and liens filed against her. This search revealed five outstanding judgments, including two judgments underlying the Disqualifying AWC and the Cypress judgment. Sanford satisfied all but the Cypress judgment between August 2024 and November 2024. With respect to the Cypress judgment, Sanford made numerous attempts to locate and contact this entity to resolve this outstanding debt.

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<sup>3</sup> Kingswood Advisors states that Sanford’s role is strictly limited to providing introductory services; specifically, she facilitates introductions between potential clients and Kingswood Advisors, and these introductions occur only in the presence of a Kingswood Advisors investment adviser representative. Further, since the Disqualifying AWC, the Firm states that Sanford has provided marketing services for a non-broker dealer.

Notwithstanding these efforts, Sanford represents that she has been unable to identify a current or active point of contact for Cypress.<sup>4</sup>

## B. The Firm

The Firm has been a FINRA member since January 2018 and is based in San Diego, California. It has 62 branch offices, 10 of which are Offices of Supervisory Jurisdiction. The Firm employs 198 registered representatives, 61 of whom are registered principals, and 169 non-registered fingerprint individuals. It currently employs one other individual subject to statutory disqualification.<sup>5</sup>

### 1. Examinations

In March 2025, in connection with the Firm's 2024 routine examination, FINRA issued the Firm a Cautionary Action.<sup>6</sup> The Cautionary Action cited the Firm for the

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<sup>4</sup> The Firm represents that Sanford timely disclosed to it these outstanding judgments, but because the Firm intended for Sanford to associate with it in a non-registered capacity it filed a Form NRF, which does not contain a requirement to disclose judgments, on July 26, 2024. Around that time Kingswood Advisors filed a Form U4 for Sanford, but it failed to amend her Form U4 after Sanford disclosed to it these outstanding judgments. The Firm states that this was an oversight, and Sanford's Form U4 was updated to include the Cypress judgment in May 2025.

<sup>5</sup> Eric Manual Vallejo is subject to statutory disqualification because of a Corrective Order issued by the SEC in March 2009. Pursuant to that order, the SEC found that Vallejo failed to reasonably supervise with a view to preventing willful violations of Exchange Act Section 10(b) and Exchange Act Rule 10b-5. The SEC suspended Vallejo from associating with a broker-dealer in all supervisory capacities for nine months and ordered him to pay approximately \$33,000 in civil penalties and disgorgement. The Firm was not required to initiate a FINRA eligibility proceeding when Vallejo associated with it because the sanctions imposed by the SEC were no longer in effect based upon him serving the suspension and paying the monetary sanctions in full. *See FINRA Regulatory Notice 09-19*, 2009 FINRA LEXIS 52, at \*11-12 (Apr. 2009) (providing that for statutory disqualifications involving an order finding violations of Exchange Act Sections 15(b)(4)(D) or (E) under which the sanctions are no longer in effect, a Membership Continuance Application is not required).

<sup>6</sup> In addition, Member Supervision referred numerous exceptions to FINRA's Department of Enforcement for further review and disposition. These exceptions pertained to, among other things, registered representatives who failed to meet the Care Obligation under Regulation Best Interest, control weaknesses in the Firm's anti-money laundering compliance program, deficiencies related to the Firm's know-your-customer and customer due diligence processes, and supervisory and compliance obligations under Regulation Best Interest. These matters are pending.

following deficiencies: (1) failing to establish, maintain, and enforce a supervisory system reasonably designed to achieve compliance with recordkeeping requirements for employees' business-related communications conducted on social media; (2) failing to establish, maintain, and enforce a supervisory system, including written supervisory procedures ("WSPs"), that are reasonably designed to ensure the security and confidentiality of customer records and information, protect against any anticipated threats or hazards to the security or integrity of customer records and information, and protect against unauthorized access to or use of customer records or information that could result in substantial harm or inconvenience to any customer; (3) failing to establish adequate supervisory controls to supervise the accuracy of its quarterly Supplemental Statement of Income filings submitted on behalf of the firm by a third-party vendor; (4) failing to prepare an accurate net capital computation and FOCUS report; (5) failing to ensure individuals were appropriately licensed and registered with the firm as operations professionals; (6) failing to establish WSPs related to the bank sweep program utilized for one of its accounts, failing to review activity details and month-end balances for this account, and failing to prepare accurate monthly bank reconciliations and financial books and records for this account; (7) failing to adequately evaluate proposed outside business activities and maintain records of evaluations; (8) failing to maintain evidence that it reviewed private securities transactions involving certain Firm registered representatives; (9) failing to prohibit a registered representative from trading in his wife's account ahead of customer orders in contravention of the Firm's WSPs; (10) failing to follow its WSPs to ensure customers were aware of the tax treatment of out-of-state 529 Plan purchases; and (11) failing to establish WSPs that were reasonably designed to ensure the Firm timely updated certain MSRB forms. The Firm responded in writing to the deficiencies noted and represented that it took numerous remedial steps to help ensure that deficiencies do not reoccur.

## 2. Regulatory and Disciplinary History

The record shows no regulatory or disciplinary history against the Firm.

## **IV. Sanford's Proposed Business Activities and Supervision**

### A. Sanford's Proposed Activities

The Firm proposes to employ Sanford as a non-registered fingerprint individual in its Melville, New York office.<sup>7</sup> Specifically, the Firm proposes that Sanford will: (1) introduce potential clients from her network to a Firm or Kingswood Advisors representative, which will include making phone calls, scheduling in-person meetings, and handing off the client relationship to a Firm representative; and (2) provide general administrative assistance, which will include answering the phone, assisting in administrative aspects of account opening and general front office customer relationship management. Sanford will have no supervisory duties, will not be permitted to make recommendations to the Firm's customers or engage in any activity that requires

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<sup>7</sup> Sanford will also have access to the Firm's office in New York City.

registration, and will not have access to trade in customer accounts. Sanford will receive 40% of the revenue the Firm earns from clients she introduces to Kingswood Advisors and will also receive a salary for her administrative duties. Sanford will not share in any commissions earned from the Firm's broker-dealer activities.

B. Sanford's Primary Supervisor

The Firm proposes that Tyler Thomas Bashaw ("Bashaw") will serve as Sanford's primary supervisor. Bashaw works from the Firm's Miami, Florida office and serves as the Firm's director of compliance. In this role, he is responsible for supervising 15 registered representatives. The Firm represents that Bashaw has supervised a variety of broker-dealer activities throughout his career and has experience supervising an individual subject to heightened supervision.

Bashaw first registered as a general securities representative in March 2005, as a general securities principal in April 2010, as a registered options principal in April 2012, and as a municipal securities principal in December 2015. Bashaw also passed the uniform securities agent state law examination in March 2005, the investment adviser examination in February 2015, and the investment banking representative examination in December 2022. Bashaw has been associated with the Firm and Kingswood Advisors since May 2021, and he was previously associated with nine other firms.

FINRA's Central Registration Depository ("CRD"®) lists two outside business activities for Bashaw. He serves as the chief executive officer and owner of Osotoro Co., where he reviews and purchases tax certificates (to which he devotes one hour per month). Bashaw also administers and selects investments for special purpose vehicle funds on behalf of My Venture Fund LLC (which serves as the managing entity of the funds and is affiliated with the Firm). Bashaw devotes 10 hours per month to this activity.

The record shows that a customer filed a FINRA arbitration complaint against Bashaw's former firm in June 2022 that alleged negligence, breach of fiduciary duties, and negligent supervision. Although Bashaw was not named as a party to the arbitration, he was mentioned in the statement of claim. The customer alleged damages of \$40,000. Bashaw's former firm settled the matter for \$14,999. Bashaw did not personally contribute any funds to this settlement.

Other than this matter, the record shows no disciplinary or regulatory proceedings, complaints, or arbitrations against Bashaw.

C. Alternate Supervisor

If Bashaw is unavailable, Valeriy Peters Rayevskiy ("Rayevskiy") will serve as Sanford's alternate supervisor. Rayevskiy works from the Firm's New York City office, and serves as the Firm's chief operating officer and a branch supervisor. He currently supervises 20 individuals.

Rayevskiy first registered as a general securities representative in May 2010 and as a general securities principal in December 2013. He also passed the uniform securities agent state law examination in May 2010. Rayevskiy has been with the Firm since March 2021, and he was previously associated with four firms.

CRD lists three outside business activities for Rayevskiy: (1) he serves as an insurance agent (to which he devotes five hours per month); (2) vice president of 2068 Ocean Ave Condo LLC, a condo management company (to which he devotes five hours per month); and (3) the sole member of Hermitage Capital LLC, a pass-through entity for real estate holdings and earnings (for which he has no active participation).

The record shows no disciplinary or regulatory proceedings, complaints, or arbitrations against Rayevskiy.

## **V. Member Supervision's Recommendation**

Member Supervision recommends approving the Firm's request for Sanford to associate with it as a non-registered fingerprint individual, subject to the terms and conditions of heightened supervision described below.

## **VI. Discussion**

We have carefully considered the entire record in this matter. Based on this record, and pursuant to the SEC's controlling decisions in this area, we approve the Firm's Application to employ Sanford as a non-registered fingerprint individual, subject to the supervisory terms and conditions set forth below.

### **A. The Legal Standards**

We acknowledge that Sanford, as a registered individual, was responsible for knowing the rules of the securities industry and for timely updating her Form U4. *See, e.g., Robert E. Kauffman*, 51 S.E.C. 838, 840 (1993) ("Every person submitting registration documents [to FINRA] has the obligation to ensure that the information printed therein is true and accurate."), *aff'd*, 40 F.3d 1240 (3d Cir. 1994) (table). The SEC has emphasized that Form U4 "is critical to the effectiveness of the screening process used to determine who may enter (and remain in) the industry. It ultimately serves as a means of protecting the investing public." *See Robert D. Tucker*, Exchange Act Release No. 68210, 2012 SEC LEXIS 3496, at \*25-26 (Nov. 9, 2012). A registered representative's financial problems "raise concerns about whether [he] could responsibly manage his own financial affairs, and ultimately cast doubt on his ability to provide trustworthy financial advice and services to investors relying on him to act on their behalf as a securities industry professional." *Id.* at \*32.

We also recognize, however, that FINRA weighed the gravity of Sanford's failure to disclose the tax lien and judgments when it agreed to the Disqualifying AWC in December 2010. After considering Sanford's entire history in the securities industry,

FINRA concluded that an eight-month suspension and a \$5,000 fine were appropriate sanctions for her misconduct (including her disqualifying misconduct). Sanford served her suspension and paid the fine. In such circumstances, the SEC has instructed FINRA to evaluate a statutory disqualification application pursuant to the standards enunciated in the SEC's decisions in *Paul Edward Van Dusen*, 47 S.E.C. 668 (1981), and *Arthur H. Ross*, 50 S.E.C. 1082 (1992). See *May Capital Group, LLC* (hereinafter "*Rokeach*"), Exchange Act Release No. 53796, 2006 SEC LEXIS 1068, at \*21 (May 12, 2006) (holding that FINRA must apply *Van Dusen* standards to the membership continuance applications of statutorily disqualified individuals whose disqualifications resulted from FINRA enforcement action).

*Van Dusen* and *Rokeach* provide that in situations where an individual's misconduct already has been addressed by the SEC or FINRA, and sanctions have been imposed for such misconduct, FINRA should not consider the individual's underlying misconduct when it evaluates a statutory disqualification application. The SEC stated that when the period of time specified in the sanction has passed, in the absence of "new information reflecting adversely on [the applicant's] ability to function in his proposed employment in a manner consonant with the public interest," it is inconsistent with the remedial purposes of the Exchange Act and unfair to deny an application for re-entry. *Van Dusen*, 47 S.E.C. at 671.

The SEC also noted in *Van Dusen*, however, that an applicant's re-entry is not "to be granted automatically" after the expiration of a given time period. *Id.* Instead, the SEC instructed FINRA to consider other factors, such as: (1) other misconduct in which the applicant may have engaged; (2) the nature and disciplinary history of the prospective employer; and (3) the supervision to be accorded the applicant. *Id.*

#### B. Application of the *Van Dusen* Standards

After applying the *Van Dusen* standards to this matter, we have determined to approve the Firm's Application to employ Sanford as a non-registered fingerprint individual.

First, the record does not show any complaints, regulatory actions, or criminal history against Sanford since the Disqualifying AWC, and given the expiration of time for the suspension imposed upon her and the teachings of *Van Dusen*, she is now permitted to seek to associate with a member firm.<sup>8</sup> We agree with Member Supervision's assessment that the failure to timely update Sanford's Form U4 to disclose the outstanding Cypress judgment should not, under the circumstances, cause us to deny the Application. As stated above, Sanford promptly disclosed this matter to the Firm and

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<sup>8</sup> The record shows two customer complaints filed against Sanford. The first pre-dates the Disqualifying AWC and was denied by her firm. The second was filed after the Disqualifying AWC but related to conduct that occurred at a prior firm where Sanford was employed that also pre-dates the Disqualifying AWC. Regardless, under the circumstances and given the factors we discuss herein, these matters do not support denying the Application.

the failure to timely disclose this judgment on her Form U4 was a result of an administrative oversight by Kingswood Advisors. We also acknowledge Sanford's efforts to satisfy outstanding judgments and her efforts, although ultimately unsuccessful, to locate Cypress to repay its judgment.

Second, the Firm does not have any disciplinary or regulatory history and it represented that it addressed the deficiencies noted in the March 2025 Cautionary Action. Moreover, Bashaw has no regulatory or disciplinary history and Rayevskiy has a spotless record, and both are qualified to supervise a statutorily disqualified individual such as Sanford. Bashaw and Rayevskiy have substantial supervisory experience, and Bashaw has previously supervised an individual under heightened supervision. We acknowledge that Bashaw supervises 15 individuals and Rayevskiy supervises 20 individuals but agree with Member Supervision that their supervisory duties should not prevent them from stringently supervising Sanford based upon her limited business activities and the fact that she will not be engaged in the Firm's securities business.

Third, based on the record before us, we find that the Firm's proposed supervisory plan is sufficiently stringent. As described below, the proposed supervisory plan strictly limits Sanford's activities at the Firm, provides for regular meetings between Sanford and Bashaw and regular monitoring of Sanford's activities, and contains provisions designed to help prevent future disclosure failures. We are satisfied that the following heightened supervisory procedures, if followed, will enable the Firm to reasonably monitor Sanford's limited activities on a regular basis:

1. Bashaw will serve as the primary supervisor for Sanford. If at any time Bashaw is not available to perform these functions, Rayevskiy, who has been designated as Sanford's alternate supervisor, shall perform his responsibilities.
2. Sanford shall work from the Firm's branch office located at 68 South Service Road, Suite 100, Melville, NY 11747.
3. Sanford must not: (a) maintain any client accounts; (b) have access to trade in any client accounts; (c) provide advice to any clients; or (d) act in a supervisory capacity.
4. Sanford must only act in a non-registered capacity with respect to her proposed duties and responsibilities, which will include introducing potential clients from her network to the Firm's registered personnel and providing general administrative assistance.
5. Bashaw and Sanford must meet via Zoom on a bi-weekly basis to discuss and review Sanford's general job performance. Bashaw will maintain a record of these meetings, which will include a description of the matters discussed. Records of such meetings will be maintained in a readily accessible place for ease of review by FINRA staff.

6. Sanford must input all meetings and telephone calls with prospective and current customers on an electronic calendar, which is accessible by Bashaw. Bashaw must review the calendar bi-weekly. Records of such reviews will be kept in a readily accessible place for ease of review by FINRA staff.
7. For the purposes of client communication, Sanford must use an e-mail account that is held at the Firm, with all e-mails filtered through the Firm's e-mail system. If Sanford receives a business-related e-mail message in another e-mail account outside the Firm, she must immediately deliver that message to the Firm's e-mail account. In addition, Sanford must inform the Firm of all outside email accounts which she maintains and must provide the Firm access to the accounts upon request.
8. All of Sanford's outgoing emails will be blind copied to Bashaw and reviewed by Bashaw on a bi-weekly basis. Bashaw will also review all of Sanford's incoming emails on a biweekly basis. Bashaw will review any other written correspondence directed to, authorized by, or sent by Sanford on a bi-weekly basis. Records of such reviews shall be kept in a readily accessible place for ease of review by FINRA staff.
9. Kingswood must use a third-party vendor to conduct a semi-annual public records search to ascertain whether Sanford has any events that require disclosure pursuant to FINRA rules and must ensure that Sanford has complied with all of her regulatory disclosure obligations. Bashaw must review each public records search, document the result, and keep the documentation in a readily accessible place for ease of review by FINRA staff.<sup>9</sup>
10. Quarterly (as of March 31st, June 30th, September 30th, and December 31st), Sanford must certify that she has reviewed her Form U4, and that all her answers are complete, accurate, and were made in a timely manner. Such certifications shall be kept in a readily accessible place for ease of review by FINRA staff.<sup>10</sup>
11. All complaints pertaining to Sanford, whether verbal or written, will be immediately referred to Bashaw for review, and then to the Compliance Department. Bashaw will prepare a memorandum to the file with full details as to the review, investigation, and resolution of the matter.

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<sup>9</sup> The Firm represents that it will notify Kingswood Advisors if it receives a third-party report showing events requiring disclosure under this provision.

<sup>10</sup> The Firm represents that if Sanford identifies that a matter was not disclosed in the certification required under this provision, it will notify Kingswood Advisors.

Documents pertaining to these complaints will be kept in a readily accessible place for ease of review by FINRA staff.

12. Bashaw must certify quarterly to the Firm's chief executive officer that Bashaw and Sanford are in compliance with all of the conditions of the Supervision Plan. These certifications shall be kept in a readily accessible place for ease of review by FINRA staff.
13. The Firm shall obtain written approval from FINRA's Statutory Disqualification Group prior to changing any provision of the Supervision Plan.
14. The Firm shall submit any proposed changes or other requested information under this Supervision Plan to FINRA's Statutory Disqualification Group at [SDMailbox@FINRA.org](mailto:SDMailbox@FINRA.org).

FINRA certifies that: (1) Sanford meets all applicable requirements for the proposed employment; (2) the Firm is a member of The NASDAQ Stock Market, which concurs with the proposed employment as described herein, and National Securities Clearing Corporation; (3) the Firm has represented that Sanford is not related to Bashaw or Rayevskiy by blood or marriage; and (4) the Firm employs one other statutorily disqualified individual, as discussed above.

## **VII. Conclusion**

Accordingly, we approve the Firm's Application to employ Sanford as a non-registered fingerprint individual, subject to the above-mentioned heightened supervisory procedures. In conformity with the provisions of Exchange Act Rule 19h-1, the approval of the continued membership of the Firm will become effective within 30 days of the receipt of this notice by the SEC, unless otherwise notified by the SEC.

On Behalf of the National Adjudicatory Council,



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Jennifer Mitchell Piorko  
Vice President and Deputy Corporate Secretary