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FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT, Complainant, v. JAMES LUKEZIC (CRD No. 4284800), Respondent.	Disciplinary Proceeding No. 2022073425001 Hearing Officer–MPD

ORDER GRANTING THE DEPARTMENT OF ENFORCEMENT'S MOTION PURSUANT TO FINRA RULE 9285

I. Background

On May 12, 2026, the Hearing Panel issued its decision in this disciplinary proceeding ("Decision").[1] In its Decision, the Panel found that Respondent James Lukezic placed six unauthorized mutual fund exchanges in five customer accounts, in violation of FINRA Rule 2010.[2] The Panel additionally found that Lukezic provided false or misleading information to FINRA during its investigation into the unauthorized trades, both in response to written Rule 8210 requests and during his on-the-record ("OTR") testimony, in violation of FINRA Rules 8210 and 2010.[3]

As a sanction for his unauthorized trading, the Panel barred Lukezic from associating with any FINRA member firm in any capacity.[4] In light of the bar, the Panel found it unnecessary to impose additional sanctions for Lukezic's violations of FINRA Rules 8210 and 2010.[5]

Lukezic timely appealed the Decision on May 14, 2026. That appeal automatically stayed the sanctions imposed by the Hearing Panel.[6]

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[1] *Dep't of Enforcement v. Lukezic*, No. 2022073425001, 2026 FINRA Discip. LEXIS 11 (OHO May 12, 2026), *appeal docketed* (NAC May 14, 2026).

[2] *Id.* at *44–52.

[3] *Id.* at *52–55.

[4] *Id.* at *57–60.

[5] *Id.* at *60–62.

[6] FINRA Rule 9311(b).

On May 29, 2026, the Department of Enforcement filed a motion, pursuant to FINRA Rule 9285, for the imposition of interim conditions and restrictions.[7] Lukezic opposed the motion on June 1, 2026.[8] Pursuant to FINRA Rule 9285(a)(4), I directed Enforcement to file a reply on June 5, 2026.[9]

For the reasons set forth below, Enforcement's motion is **GRANTED**.

II. Discussion

A. FINRA Rule 9285

1. Motions for Conditions or Restrictions

If a respondent appeals a disciplinary decision issued pursuant to FINRA Rule 9268 and the decision finds that the respondent "violated a statute or rule provision," FINRA Rule 9285(a)(1) authorizes Enforcement to move for an order imposing "conditions or restrictions on the activities of a Respondent that are reasonably necessary for the purpose of preventing customer harm."

FINRA Rule 9285(a)(3) permits a respondent to file an opposition or other response to a motion for the imposition of conditions or restrictions. Any such filing "shall explain why no conditions or restrictions should be imposed or specify alternative conditions or restrictions that are sought to be imposed and explain why the conditions or restrictions are reasonably necessary for the purpose of preventing customer harm."[10]

FINRA Rule 9285(a)(5) authorizes the Hearing Officer "to impose any conditions or restrictions that the Hearing Officer considers reasonably necessary for the purpose of preventing customer harm." Unlike sanctions imposed by the Hearing Panel—which are automatically stayed during the pendency of any appeal to, or call for review by, the National Adjudicatory Council ("NAC")[11]—any conditions or restrictions imposed pursuant to FINRA Rule 9285 remain in effect until FINRA's final decision in the underlying disciplinary proceeding takes effect and all appeals are exhausted.[12]

By allowing for the imposition of conditions or restrictions during the pendency of an appeal, Rule 9285 is intended to enhance investor protection by "potentially preventing associated persons and firms found to have violated a statute or rule from engaging in additional

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[7] Department of Enforcement's Motion for Interim Conditions and Restrictions (May 29, 2026) ("Mot.").

[8] Respondent James Lukezic's Opposition to the Department of Enforcement's Motion for Interim Conditions and Restrictions (June 1, 2026) ("Opp'n").

[9] Department of Enforcement's Reply in Support of Rule 9285 Motion (June 5, 2026) ("Reply").

[10] FINRA Rule 9285(a)(3).

[11] FINRA Rules 9311(b), 9312(b).

[12] FINRA Rule 9285(d).

misconduct during the appeal process."[13] That said, interim conditions or restrictions "are not intended to be as restrictive as the underlying sanctions and would likely not be economically equivalent to imposing the sanctions during the appeal."[14] Rather, the conditions or restrictions should "target the misconduct demonstrated in the disciplinary proceeding and be tailored to the specific risks posed by the Respondent[] during the appeal period."[15]

2. Mandatory Heightened Supervision

In addition to authorizing the imposition of interim conditions or restrictions on a respondent during the pendency of an appeal from, or a NAC call for review of, a Hearing Panel decision in a disciplinary proceeding in which the Panel finds that the respondent violated a statute or rule provision, FINRA Rule 9285 seeks to "further bolster investor protection" by establishing mandatory heightened supervision requirements for any member firm that is associated with the respondent.[16]

Under FINRA Rule 9285(e)(1), the member firm must file and serve a written plan of heightened supervision within 10 days of any appeal or call for review. If the respondent becomes associated with another member firm during the pendency of the appeal, that member must file and serve a plan of heightened supervision within 10 days of the respondent becoming associated with the member.[17] If interim conditions or restrictions are imposed pursuant to FINRA Rule 9285, then any member firm that has adopted a written plan of heightened supervision for the respondent, pursuant to FINRA Rule 9285(e), must file and serve an amended written plan of heightened supervision that takes into account those conditions or restrictions within 10 days of the conditions or restrictions becoming effective.[18] Any plan of heightened supervision adopted pursuant to FINRA Rule 9285(e) shall remain in effect until FINRA's final decision takes effect.[19]

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[13] FINRA Regulatory Notice 21-09 (Mar. 2021), at 3, https://www.finra.org/rules-guidance/notices/21-09.

[14] SR-FINRA-2020-011, Order Approving a Proposed Rule Change, as Modified by Amendment No. 1, to Address Brokers with a Significant History of Misconduct ("SEC Approval Order"), Exchange Release No. 90635, 2020 SEC LEXIS 5168, at *5 (Dec. 10, 2020).

[15] SEC Approval Order, at *5; *accord* FINRA Regulatory Notice 21-09, at 3.

[16] FINRA Regulatory Notice 21-09, at 4; *see also* FINRA Rule 9285(e).

[17] FINRA Rule 9285(e)(1).

[18] FINRA Rule 9285(e)(1).

[19] FINRA Rule 9285(e)(4).

B. The Heightened Supervision Plan Filed by Lukezic's Firm

On May 27, 2026, Lukezic's firm, Old Slip Capital Management, Inc. ("Old Slip"), filed and served a written plan of heightened supervision, as required by FINRA Rule 9285(e).[20] That Heightened Supervision Plan provides as follows:

- During the pendency of Lukezic's appeal, James R. Richards—who is identified in the plan as Old Slip's Chief Compliance Officer ("CCO")—"will review every retail transaction effected by James Lukezic within 24 hours of the transaction."[21]

- "The CCO will record his or her review of each such retail transaction," thus "reflecting that it has been reviewed from a compliance perspective."[22]

- "In the event that the CCO determines that a retail transaction is not in compliance with all securities laws, regulations, and rules, the CCO will take appropriate steps to reverse the transactions, ensure that the customer did not incur any loss, and take whatever further steps are necessary to address the transaction from a compliance perspective."[23]

- "On an annual basis, the CCO will prepare a written statement that includes: (a) An affirmation of the CCO's compliance with the terms of the heightened supervision; (b) A report on any findings of any attempted unauthorized trading; (c) Any additional steps taken by the CCO in connection with the heightened supervision."[24]

C. The Proposed Interim Conditions and Restrictions

In its motion, Enforcement requests that I "impos[e] Old Slip's Heightened Supervision Plan as the interim conditions and restrictions on Lukezic,"[25] with the following modifications:

- The supervisory review of customer transactions effected by Lukezic should not be limited to retail transactions but, rather, should be required for all trades effected by Lukezic in customer accounts.[26]

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[20] Enforcement attached a copy of the written plan of heightened supervision as Exhibit A to its motion ("Heightened Supervision Plan").

[21] Heightened Supervision Plan, 2–3.

[22] Heightened Supervision Plan, 3.

[23] Heightened Supervision Plan, 3.

[24] Heightened Supervision Plan, 3.

[25] Mot., 2, 7.

[26] Mot., 2, 7; Reply, 1–2.

- The certification of compliance with the firm's heightened supervision plan should be prepared quarterly, rather than annually, and submitted to FINRA.[27]

- And the supervisory review of customer transactions effected by Lukezic and the certification of compliance with the firm's Heightened Supervision Plan should be the responsibility of Richards or alternatively "some other principal at the firm" other than Lukezic.[28]

Because FINRA Rule 9285 authorizes the imposition of conditions or restrictions on the activities *of a respondent*—and not the imposition of conditions or restrictions on the activities of a member firm that is not a party to the underlying disciplinary proceeding—I interpret each of these requests as a request for an order prohibiting Lukezic from continuing to associate with Old Slip unless the firm adopts a plan of heightened supervision that includes each of the above requirements.

In its motion, Enforcement additionally requests an order prohibiting Lukezic from becoming associated with any other member firm unless that firm adopts a written plan of heightened supervision that includes all of the same requirements as the Heightened Supervision Plan, with Enforcement's proposed modifications.[29]

Lukezic argues that it is unnecessary to impose conditions or restrictions upon his activities because Old Slip's Heightened Supervision Plan already sufficiently targets the misconduct found by the Hearing Panel.

I address each of the interim conditions and restrictions that Enforcement proposes, in turn, below.

1. Supervisory Review of Customer Transactions

While Old Slip's written Heightened Supervision Plan provides for supervisory review of "every retail transaction effected by James Lukezic,"[30] Enforcement requests an order requiring supervisory review of "*any* trades effected by Lukezic in any customer account, whether retail customers or otherwise."[31] I find that this proposed condition or restriction is reasonably necessary for the prevention of customer harm.

Lukezic argues that Enforcement's request is overly broad because the risk posed during the appeal period is allegedly limited to "the possibility of unauthorized retail transactions."[32] However, all customers are entitled to protection from unauthorized trading. And although the

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[27] Mot., 2, 7.

[28] Mot., 2, 7–8.

[29] Mot., 2, 7.

[30] Heightened Supervision Plan, 3.

[31] Reply, 1 (emphasis in original).

[32] Opp'n, 2, 6.

customer accounts in which Lukezic placed the unauthorized trades at issue in this disciplinary proceeding all may have been retail accounts, the many aggravating factors surrounding Lukezic's unauthorized trading, as found by the Hearing Panel, provide little comfort that he would not engage in similar misconduct in the accounts of non-retail customers.

Among other aggravating factors, the Hearing Panel found:

- Lukezic placed the unauthorized trades intentionally, in the hope of earning a commission for him or his firm.[33]

- When the transfer agent discovered the unauthorized trades and tried to investigate to ensure the affected customers were not at risk of fraudulent activity, Lukezic refused to cooperate, blamed the transfer agent for the transactions, and threatened the transfer agent with legal action.[34]

- Later, when FINRA became involved, Lukezic continued to try to evade detection by providing FINRA with false information, both in response to written Rule 8210 requests and at his OTR.[35]

- And Lukezic refused to accept responsibility for his misconduct and instead testified falsely at the hearing, including by claiming he did not mean what he said when he admitted to the transfer agent in a recorded telephone conversation that he placed the transactions at issue and wanted to know how he could get paid for those trades.[36]

The Hearing Panel was especially troubled by the evidence that Lukezic attempted to conceal his unauthorized trading by tampering with the testimony of the only customer witness who was scheduled to testify at the hearing. Based on Lukezic's threat to bring a defamation action against the customer—and his refusal to rescind the threat even when given the opportunity—the Hearing Panel expressed "serious concerns that Lukezic does not understand his fundamental duties as a registered representative."[37] The Panel further found that Lukezic's efforts to tamper with the customer's testimony indicate "a propensity for future wrongdoing that weighs heavily in favor of imposing a bar."[38]

Lukezic's opposition only reinforces the concerns expressed by the Panel. In his opposition, Lukezic continues to maintain he did nothing wrong by threatening the customer, and

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[33] *Lukezic*, 2026 FINRA Discip. LEXIS 11, at *58.

[34] *Id.* at *59.

[35] *Id.*

[36] *Id.* at *58–59.

[37] *Id.* at *60.

[38] *Id.* (citing *Joseph J. Barbato*, Exchange Act Release No. 41034, 1999 SEC LEXIS 276, at *38–39 (Feb. 10, 1999)).

he argues he "was entitled to protect his rights and reputation if he believed a witness was preparing to lie under oath."[39] However, to this day, Lukezic has failed to identify any aspect of the customer witness's anticipated testimony that was false or that could even conceivably support a non-frivolous defamation suit. As I previously found, in the absence of such evidence, the most logical inference is that Lukezic's intent was to dissuade the customer witness from testifying.[40]

Based on Lukezic's willingness to tamper with the testimony of a customer witness to conceal his misconduct, as well as the other aggravating factors found by the Hearing Panel, I find that Enforcement's proposal to require supervisory review for all customer trades, and not merely retail trades, effected by Lukezic is narrowly tailored to address the risk of customer harm posed by Lukezic pending his appeal to the NAC.

2. Certification of Compliance with Heightened Supervision Plan

Enforcement additionally requests that I require Old Slip to certify quarterly—rather than annually, as is provided for in the firm's Heightened Supervision Plan[41]—that the firm is in compliance with the plan, and that the firm be required to provide a copy of the certification to FINRA.[42]

This condition or restriction will help FINRA staff to promptly identify and follow up on any future incidents of unauthorized trading by Lukezic in customer accounts. On that basis, I find that this condition or restriction is reasonably necessary to prevent customer harm.

3. Designation of an Alternative Principal Responsible for Supervisory Review

In its Heightened Supervision Plan, Old Slip specifies that the supervisory review of Lukezic's customer trades and the certification of compliance will be the sole responsibility of James Richards, who the firm identifies as its CCO.[43] Enforcement requests an order providing that these supervisory responsibilities alternatively may be performed by "some other principal at the firm," other than Lukezic.[44]

Although Old Slip has represented in its Heightened Supervision Plan that it "intends to continue to retain Richards as its CCO,"[45] I find it is reasonably necessary for the prevention of customer harm to provide for some flexibility in the event that Richards ceases to act as the

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[39] Opp'n, 2.

[40] Order Granting Enforcement's (1) Motion for Relief Under FINRA Rule 9280 and (2) Second Motion for Leave to Amend its Exhibit List (Nov. 4, 2025), at 5.

[41] Heightened Supervision Plan, 3.

[42] Mot., 2, 7.

[43] Heightened Supervision Plan, 2–3.

[44] Mot., 2, 7–8.

[45] Heightened Supervision Plan, 2.

firm's CCO, terminates his association with Old Slip, or is unable to perform the necessary supervisory review for other reasons. I, therefore, grant Enforcement's request for the imposition of this interim condition or restriction.

4. Lukezic's Potential Association With Another Member Firm

Finally, Enforcement requests an order prohibiting Lukezic from associating with another member firm unless that firm imposes the same Heightened Supervision Plan as Old Slip, with the modifications proposed in its motion.[46] Lukezic argues this proposed condition or restriction is "speculative" because there is no evidence he has any current plans to associate with another member firm.[47]

However, the imposition of interim conditions or restrictions would be meaningless if a respondent could evade them simply by associating with a new member firm after those conditions or restrictions are imposed. Indeed, FINRA Rule 9285(e) contemplates this precise possibility by requiring that, in the event a respondent "becomes associated with another member during the appeal" of a Hearing Panel decision or a NAC call for review, that member must file a heightened plan of supervision within 10 days of the respondent becoming associated with the member.[48] Enforcement's proposal ensures that any such heightened plan of supervision will take into account the conditions and restrictions imposed in this Order.

For these reasons, I find that Enforcement's proposed condition or restriction is reasonably necessary for the prevention of customer harm.

III. Order

For all of the foregoing reasons, I **GRANT** Enforcement's motion and impose the following conditions and restrictions:

1. Respondent James Lukezic may not continue to associate with Old Slip unless the firm adopts a written plan of heightened supervision that includes the following requirements:

    a. James R. Richards or another designated firm principal, other than Lukezic, will review every transaction effected by Lukezic in a customer account within 24 hours of the transaction.

    b. Richards or another designated firm principal, other than Lukezic, will record his or her review of each such transaction.

    c. In the event that Richards or another designated firm principal determines that a transaction is not in compliance with all securities laws, regulations,

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[46] Mot., 2, 7.

[47] Opp'n, 7.

[48] FINRA Rule 9285(e).

and rules, Richards or another designated firm principal will take appropriate steps to reverse the transaction, ensure that the customer did not incur any loss, and take whatever further steps are necessary to address the transaction from a compliance perspective.

d. On a quarterly basis, Richards or another designated firm principal, other than Lukezic, will prepare and provide to FINRA Enforcement staff a written statement that includes a certification that he or she has complied with the terms of heightened supervision, a report on any findings of any attempted unauthorized trading, and any addition steps taken by the principal in connection with the heightened supervision.

2. Lukezic may not associate with another member firm unless that member firm adopts a written plan of heightened supervision that includes all of the foregoing requirements.

The conditions or restrictions imposed by this Order that are not subject to any stay shall become effective 10 days after the issuance of this Order.[49] The conditions and restrictions imposed by this Order or by the NAC Review Subcommittee shall remain effective until FINRA's final decision in the underlying disciplinary proceeding takes effect.[50]

SO ORDERED.

Megan P. Davis
Hearing Officer

Date: June 15, 2026

Copies to:

James Lukezic, Respondent and Managing Principal (via email, overnight courier, and first-class mail)
Justin Arnold, Esq., FINRA Enforcement (via email)
John R. Baraniak, Esq., FINRA Enforcement (via email)
Ashley Morris, Esq., FINRA Enforcement (via email)
James R. Richards, Chief Compliance Officer of Old Slip Capital Management, Inc. (via overnight courier)
Justin Arnold, Esq., FINRA Enforcement (via email)
John R. Baraniak, Esq., FINRA Enforcement (via email)
Ashley Morris, Esq., FINRA Enforcement (via email)
Michael Garawski, Esq., FINRA Office of General Counsel (via email)

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[49] FINRA Rule 9285(d).

[50] FINRA Rule 9285(d).

Paxton Dunn, FINRA Member Supervision (via email)
rmstandards@finra.org
regtasksgroup@finra.org