

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

STEPHEN QUISENBERRY
(CRD No. 7276742),

Respondent.

Expedited Proceeding

No. ARB260007

RCM No. 2026089743901

Hearing Officer–MJD

EXPEDITED DECISION

July 24, 2026

Respondent failed to pay a \$46,730 arbitration award and failed to prove that he had a bona fide inability to pay or make a meaningful payment toward satisfaction of the award. Respondent is therefore suspended from associating with any FINRA member in any capacity.

Appearances

For the Complainant: Brody Weichbrodt, Esq., John Luburic, Esq., Christopher Perrin, Esq., Michael Manning, Esq., Department of Enforcement, Financial Industry Regulatory Authority

For the Respondent: *Pro Se*

DECISION

I. Introduction

Respondent Stephen Quisenberry failed to pay a \$46,730 FINRA arbitration award (“Award”) entered against him in favor of a respondent who had filed a counterclaim after Respondent had initiated the arbitration. When Respondent did not pay the Award, FINRA sent him a notice informing him that he would be suspended from associating with any FINRA member firm for failing to pay (“Suspension Notice”). Respondent stayed the imposition of the suspension by timely requesting a hearing with FINRA’s Office of Hearing Officers (“OHO”).

On May 8, 2026, I held a videoconference hearing. Respondent asserted the defense that he is financially unable to pay the Award. The Department of Enforcement argued that Respondent did not meet his burden to prove his defense because he has assets that he could use to pay the Award and, secondarily, he did not provide a complete picture of his finances.

After considering the evidence and the parties' arguments, I find that Respondent failed to prove his defense. The evidence showed that Respondent has sufficient funds to pay the Award or, at a minimum, make a significant contribution toward satisfying the Award. Accordingly, I suspend Respondent from associating with any FINRA member firm in any capacity until he: (1) fully pays the Award; (2) enters into a fully executed, written settlement agreement with the arbitration claimants relating to payment of the Award, and he is current in his obligations under the terms of the settlement; or (3) files a petition in a United States Bankruptcy Court, or a United States Bankruptcy Court discharges the debt representing the Award. I also order him to pay the costs of the hearing.

II. Background

A. Regulatory Framework

Under FINRA rules governing industry-related arbitrations, "[a]ll monetary awards shall be paid within 30 days of receipt unless a motion to vacate has been filed with a court of competent jurisdiction."¹ FINRA Rule 9554 establishes a procedure for FINRA to suspend an associated person for not paying an arbitration award. The rule authorizes FINRA to send a notice "stating that the failure to comply within 21 days of service of the notice will result in a suspension . . . from associating with any member."² "The notice shall state when the FINRA action will take effect and explain what the respondent must do to avoid such action. The notice shall state that the respondent may file a written request for a hearing with the Office of Hearing Officers pursuant to Rule 9559."³

A hearing request with OHO stays the suspension referenced in the notice.⁴ A respondent may assert the following defenses in an expedited proceeding brought under Rule 9554: (1) the respondent made full payment of the award; (2) the parties have agreed to installment payments of the award, or have otherwise agreed to settle the action, and the respondent is not in default under the agreement; (3) a court has vacated or modified the award; (4) a motion to vacate or modify the award is pending in a court; and (5) the respondent has a bankruptcy petition pending in United States Bankruptcy Court, or a United States Bankruptcy Court has discharged the award.⁵ In an industry dispute, in contrast to a customer dispute, a respondent may also assert the defense that he has a bona fide inability to pay the award.⁶

¹ FINRA Rule 13904(j).

² FINRA Rule 9554(a).

³ FINRA Rule 9554(c).

⁴ FINRA Rule 9554(d).

⁵ See FINRA By-Laws, Art. VI, Sec. 3(b); NASD Notice to Members 00-55, at 2 (Aug. 2000), <https://www.finra.org/rules-guidance/notices/00-55>.

⁶ See *William J. Gallagher*, Exchange Act Release No. 47501, 2003 SEC LEXIS 599, at *3-4 (Mar. 14, 2003) (affirming hearing officer's finding that respondent failed to prove that he had an inability to pay arbitration award); SR-FINRA-2010-014, Order Approving Proposed Rule Change Relating to FINRA Rule 9554 to Eliminate

B. The Defense of Inability to Pay

A respondent asserting the inability-to-pay defense must “demonstrate that he is unable to make some meaningful payment toward the award from available assets or income.”⁷ The respondent, not Enforcement, has the burden with respect to this defense.⁸ “An inability-to-pay defense must be rejected where it is evident that a respondent could borrow against, or use available funds, to make meaningful payments even if the respondent is unable to pay the full amount due.”⁹

III. Findings of Fact and Conclusions of Law

A. Respondent and Jurisdiction

Respondent is married and has two adult children.¹⁰ He was registered as a general securities representative from July 2020 to October 2023 through his association with The Forbes Securities Group LLC (“Forbes Securities”).¹¹ On October 13, 2023, Forbes Securities filed a Uniform Termination Notice for Securities Industry Registration (Form U5) terminating Respondent’s registration.¹² Since July 21, 2025, Respondent has been registered with Oberon Securities, LLC.¹³ At both firms, Respondent has worked as an investment banker.¹⁴

Under Article V, Section 2(a)(1) of FINRA’s By-Laws, a person seeking to become registered must agree to comply with, among other things, the federal securities laws, FINRA rules, and all rulings, orders, directions, and decisions issued and sanctions imposed under the rules. Accordingly, as a registered person, Respondent has agreed to comply with FINRA’s

Explicitly the Inability-to-Pay Defense in the Expedited Proceedings Context, Exchange Act Release No. 62211, 2010 SEC LEXIS 1800, at *4-5 (June 2, 2010) (approving proposed amendments to FINRA Rule 9554 to make the inability-to-pay defense unavailable to a respondent when the award favors a customer and recognizing that a bona fide inability to pay is a defense in an expedited proceeding involving an industry arbitration award).

⁷ *Michael Albert DiPietro*, Exchange Act Release No. 77398, 2016 SEC LEXIS 1036, at *16 (Mar. 17, 2016) (quoting OHO Redacted Decision ARB010032, at 3 (OHO Mar. 15, 2002), https://www.finra.org/sites/default/files/OHODecision/p006652_0_0.pdf) (affirming hearing officer’s determination that respondent failed to prove that he had an inability to pay arbitration award).

⁸ *Daniel Paul Motherway*, Exchange Act Release No. 97180, 2023 SEC LEXIS 753, at *7 (Mar. 21, 2023) (respondent claiming an inability to pay must prove the defense because the scope of his assets is within his knowledge).

⁹ *Dep’t of Enforcement v. Pendergast*, No. ARB240006, 2024 FINRA Discip. LEXIS 23, at *11 (NAC Sept. 23, 2024) (finding that respondent failed to satisfy the burden of proof required to establish a bona fide inability-to-pay defense).

¹⁰ Hearing Transcript (“Tr.”) 45-47.

¹¹ Joint Exhibit (“JX-”) 1, at 4-7.

¹² JX-1, at 4, 7.

¹³ JX-1, at 3-7.

¹⁴ Tr. 67, 150.

rules, including the rule that requires a respondent to pay an arbitration award “within 30 days of receipt unless a motion to vacate has been filed with a court of competent jurisdiction.”¹⁵

B. A \$46,730 Award Is Rendered Against Respondent

In December 2024, Respondent filed a statement of claim with FINRA Dispute Resolution Services against respondents Forbes Securities and Robert Forbes, alleging, among other claims, breach of contract, unjust enrichment, violation of wage laws, and defamation.¹⁶ Forbes Securities and Robert Forbes denied the allegations and Forbes Securities filed a counterclaim for indemnification.¹⁷ Following an evidentiary hearing, the arbitration panel issued the Award on February 10, 2026, denying Respondent’s claims, and finding him liable to Forbes Securities on the indemnification claim. It ordered him to pay Forbes Securities \$35,000 as reimbursement for a settlement the firm paid to a customer and pay both respondents \$11,730 in attorneys’ fees.¹⁸

On February 10, 2026, FINRA served the Award on Respondent (“Award Service Letter”).¹⁹ The Award Service Letter explained that “FINRA rules provide that all monetary awards shall be paid within 30 days of receipt unless a motion to vacate has been filed with a court of competent jurisdiction.”²⁰ That same day, FINRA sent Respondent an additional notice of the Award, which reminded him of the deadline to pay the Award.²¹

C. FINRA Issues a Notice of Suspension

After Respondent failed to pay the Award by the deadline, on March 13, 2026, FINRA sent the Suspension Notice.²² FINRA properly served Respondent with the Suspension Notice, which he received on March 16, 2026.²³ The Suspension Notice informed Respondent that he would be suspended effective April 3, 2026, unless he demonstrated before that date that he had taken one of four actions specified in the Suspension Notice: (1) paid the award in full; (2) entered into a fully executed, written settlement agreement with the claimant(s), and his obligations thereunder are current; (3) timely filed an action to vacate or modify any award and such motion has not been denied; or (4) filed a petition in bankruptcy and the bankruptcy

¹⁵ FINRA Rule 13904(j).

¹⁶ Tr. 73-74; JX-2, at 1-2.

¹⁷ JX-2, at 2.

¹⁸ Stipulations (“Stip.”) ¶ 4; JX-2, at 4. Separate from the Award, the arbitration panel also assessed \$10,298 in hearing session fees to Respondent. JX-2, at 6.

¹⁹ Stip. ¶ 7; JX-3.

²⁰ JX-3, at 1.

²¹ Stip. ¶ 9; JX-4, at 1.

²² Stip. ¶ 11; JX-5.

²³ Stip. ¶¶ 13-14.

proceeding is pending, or a bankruptcy court has discharged the award or payment owed under the settlement agreement. The Suspension Notice also notified Respondent that he had the right to request a hearing with OHO to assert any of the above-referenced defenses or to assert the defense of a bona fide inability to pay the award.²⁴

On March 17, 2026, Respondent timely filed a request for a hearing with OHO, claiming he had an inability to pay the Award.²⁵ The request for a hearing stayed the effectiveness of the Suspension Notice.²⁶ Respondent has not paid any part of the Award, entered into a fully executed, written settlement agreement with the arbitration claimant, or filed for bankruptcy protection.²⁷

FINRA has jurisdiction to bring this expedited proceeding against Respondent pursuant to Article V, Section 4(b) of FINRA's By-Laws because it was initiated within two years after February 10, 2026, the date of entry of the Award.

D. Respondent's Financial Condition

Before the hearing, Respondent completed a Statement of Financial Condition ("SFC"), dated April 22, 2026, that detailed his assets, liabilities, net worth, income, expenses, and monthly cash flow.²⁸ Respondent calculated that he had a negative net worth of approximately \$46,000 and a monthly cash flow of about \$4,700.²⁹ Based on the evidence presented at the hearing, I find it appropriate to adjust Respondent's calculations, mostly because of a significant settlement of a legal claim he received a week before the hearing in this expedited proceeding which was not reflected in the SFC.

As set forth below, after making certain adjustments, I find that Respondent has a net worth of \$114,906 and positive monthly cash flow of \$4,671.

²⁴ JX-5, at 1.

²⁵ JX-8.

²⁶ See FINRA Rule 9554(d); FINRA Rule 9559(c)(1).

²⁷ Stip. ¶ 15.

²⁸ JX-16.

²⁹ JX-16, at 1-2, 6-7.

1. Respondent's Net Worth

a. Assets

On his SFC, Respondent stated his assets totaled \$4,235, which were comprised of just two items: \$3,235 in a joint checking account with his wife and \$1,000 in furniture and household goods.³⁰

Respondent testified that he does not have any brokerage accounts or retirement accounts, including Individual Retirement Accounts, 401(k) accounts, or other pension assets.³¹ Nor does he own any real property or an automobile. He and his wife sold their home in 2024 and their car in 2025.³²

The SFC disclosed two other checking accounts,³³ but Respondent testified that he and his wife had set up those accounts for their children when they went to college and that those accounts are used by and still belong to their adult children.³⁴

At the hearing, Respondent testified that he had entered into a settlement agreement to resolve litigation with a third party in early April 2026.³⁵ The settlement agreement was not reflected on the SFC because Respondent had not yet received the funds.³⁶ In correspondence with Enforcement on April 9, Respondent referred to the existence of the litigation, but stated that it was “unresolved” and that there were “no current funds available.”³⁷

On April 28, 2026, Respondent informed Enforcement that he had just reached a settlement in the litigation and provided a copy of the agreement.³⁸ On April 30, Respondent received a net payment of \$155,278 after his attorney deducted his fees and costs.³⁹

³⁰ Tr. 43; JX-16, at 1. Respondent also has a checking account in the name of his business, Quisenberry Enterprises LLC. Tr. 114. The account had a small negative balance as of March 31, 2026, according to the most recent monthly statement admitted into the record. JX-20, at 42.

³¹ Tr. 70-71; *see also* JX-11, at 3; JX-16, at 1, 3.

³² Tr. 57, 96; JX-11, at 1; JX-16, at 10.

³³ JX-16, at 8.

³⁴ Tr. 55; JX-28.

³⁵ Tr. 126-30; *see also* JX-25, at 5-8.

³⁶ Tr. 128-29, 140; JX-16, at 1.

³⁷ JX-11, at 3.

³⁸ JX-25, at 1.

³⁹ Tr. 130; JX-27. The settlement amount was \$287,500. JX-25, at 5. Respondent's counsel retained \$127,046 in attorney's fees and \$5,176 in costs, resulting in a net payment to Respondent of \$155,278, which he received on April 30, 2026. JX-27.

When the SFC is adjusted to include the recent payment from the settlement agreement, I find that Respondent's assets total \$159,513.

b. Liabilities

Respondent listed \$50,279 in liabilities on his SFC.⁴⁰ This includes \$23,551 in credit card debt on cards belonging to his wife and adult daughter.⁴¹ He identified \$14,632 in other loans or notes payable, which represents about \$9,000 that he owes Wells Fargo on a business line of credit and less than \$5,000 that he and his wife owe on another line of credit.⁴² He also lists \$10,680 that he owes FINRA for his share of the arbitration fees (which is separate from the Award amount) and \$1,416 in medical bills.⁴³ At the hearing, Respondent stated that he had just received an additional \$168 medical charge for ambulance services.⁴⁴ Respondent also owes American Express \$160 pursuant to a monthly payment plan he had agreed to.⁴⁵

Of the \$23,551 in credit card debt, Respondent estimated that \$6,000 was owed by his daughter and the remainder, or \$17,551, was owed by his wife.⁴⁶ When asked how he had benefited from his daughter incurring credit card debt, Respondent testified that he and his wife lived with her for nearly a year, but he acknowledged that some of the credit card charges were incurred by his daughter, and were not to support Respondent or his wife.⁴⁷

After deducting \$6,000 for his adult daughter's credit card debt and adding \$160 still owed to American Express on the installment payment plan and the recent \$168 medical charge, I find that Respondent's liabilities total \$44,607.

Including the net settlement payment as an asset and adjusting the liability calculations, I find that Respondent has a net worth of \$114,906 (\$159,513 in assets less \$44,607 in liabilities).

2. Respondent's Monthly Cash Flow

On his SFC, Respondent calculated that he has \$8,095 in monthly income and \$3,363 in expenses, resulting in a positive cash flow of \$4,732 per month.⁴⁸

⁴⁰ JX-16, at 2.

⁴¹ JX-16, at 2.

⁴² Tr. 46, 131, 158; JX-16, at 2.

⁴³ Tr. 46; JX-16, at 2; JX-25, at 9-10.

⁴⁴ Tr. 158-59.

⁴⁵ Tr. 49; JX-18. Respondent does not currently have any credit cards in his name. His American Express card was closed when he filed for bankruptcy in 2023. Tr. 45, 49, 83; *see also* JX-16, at 4.

⁴⁶ Tr. 156-57.

⁴⁷ Tr. 156.

⁴⁸ JX-16, at 6-7.

Respondent testified that, as an investment banker and independent contractor working on commission only, he has not yet received any compensation from Oberon Securities.⁴⁹ He testified that his only income is from Social Security benefits, which are currently \$3,295 per month.⁵⁰ He estimated that his wife earns \$4,800 per month as a part-time and temporary nanny.⁵¹ Respondent testified that his wife started working in late 2025 to help pay their bills but just recently she learned that the family she is working for is relocating so she may not have a job in a few months.⁵²

While Respondent suggested that \$4,800 may be “inflated,”⁵³ the joint bank account statements indicate that for the five months from November 2025 to March 2026 his wife earned about \$27,000, or about \$5,400 per month, for providing childcare.⁵⁴ Given the temporary and part-time nature of Respondent’s wife’s work and his representations that soon she may not be employed as a nanny, I find that \$4,800 in income is a reasonable estimate of what is currently available to him.

Of the \$3,363 in monthly expenses and disbursements, the SFC lists \$1,980 for rent, \$800 for food, \$103 for utilities, and \$400 for the estimated cost of gasoline when Respondent uses someone else’s car.⁵⁵ With respect to rent, Respondent and his wife had been living with his daughter until April 2026, and he testified that making payments for his daughter’s American Express card was effectively compensation for the rent they owed her.⁵⁶ As of May 2026,

⁴⁹ Tr. 67-69. According to his SFC, Respondent’s income in 2024 was \$37,510 and in 2025 was \$38,460, which does not include income his wife earned during 2025. JX-16, at 5.

⁵⁰ Tr. 50; JX-16, at 6; JX-17, at 101, 108, 114.

⁵¹ JX-16, at 6. Respondent testified that his wife is paid \$30 per hour and, assuming she works 40 hours per week, her monthly earnings would be \$4,800. Tr. 146. She receives payment for her childcare services from a third-party vendor. Tr. 48, 57; JX-22. According to Respondent, however, there are weeks that his wife does not work at all. Tr. 51.

⁵² Tr. 47-48.

⁵³ Tr. 146.

⁵⁴ Tr. 107-113; JX-17, at 87-88, 93-94, 100-02, 108, 113-14. Since she began working in November 2025, Respondent’s wife’s monthly earnings ranged from a low of \$3,240 in February 2026 to a high of \$7,687 in March 2026, the month after the Award was issued. JX-17, at 108, 113-14. The record does not reflect how much Respondent’s wife earned in April 2026, the month before the hearing.

⁵⁵ Tr. 52; JX-16, at 7. Respondent also listed \$80 in monthly payments pursuant to his settlement with American Express. JX-16, at 7; *see also* JX-18, at 3. I exclude that amount as a continuing monthly expense because there are only two monthly payments remaining and I instead include \$160 as a liability against his net worth.

Respondent did not include monthly estimates for payment of income taxes, medical expenses, and insurance premiums. JX-16, at 7.

⁵⁶ Tr. 51-52; *see also* Tr. 89-90, 163; JX-25, at 2.

however, Respondent and his wife no longer live with their daughter and have their own apartment for which they are currently paying \$2,121 in rent.⁵⁷

After adjusting Respondent's expenses to reflect the current rent amount of \$2,121 (as opposed to the \$1,980 paid to his daughter through April 2026) and deducting \$80 in anticipated monthly American Express installment payments, I find that he has a positive monthly cash flow of \$4,671 (\$8,095 in income less \$3,424 in expenses).

E. Discussion

Respondent failed to demonstrate a bona fide inability to pay the \$46,730 Award or at least to make a meaningful partial payment. Setting aside whether he provided sufficient documentation, Respondent's testimony and the information admitted into the record demonstrate that he can pay the Award in full or make a meaningful payment toward satisfying it from his available assets and income.⁵⁸ Additionally, the inability-to-pay defense fails in this case because the evidence of Respondent's financial condition is incomplete.

1. Respondent Had, But Did Not Use, Cash Available to Pay the Award

I find that with the recent settlement payment Respondent has sufficient funds to pay the \$46,730 Award in full or in part. Factoring in the \$155,278 payment results in a net worth calculation of nearly \$115,000. Respondent conceded at the hearing that he still had "probably \$140,000"⁵⁹ in his bank account after receiving the money. Significantly, the relevant inquiry extends beyond the time of the Suspension Notice and includes the present.⁶⁰

As demonstrated above, Respondent also has a positive monthly cash flow of \$4,732 based on his Social Security benefits and his wife's estimated income of \$4,800. Together, I find that this financial condition allows Respondent to make at least a significant payment towards satisfaction of the Award.⁶¹

It is appropriate to consider Respondent's wife's income, which she was earning immediately before and at the time of the Award in February 2026, and was still receiving at the

⁵⁷ Tr. 52, 161; JX-25, at 4.

⁵⁸ See *DiPietro*, 2016 SEC LEXIS 1036, at *16.

⁵⁹ Tr. 133.

⁶⁰ *Dep't of Enforcement v. Borrero*, No. ARB240010, 2024 FINRA Discip. LEXIS 22, at *10-12 (OHO Oct. 7, 2024) ("The searching inquiry relevant to an inability-to-pay defense extends beyond a respondent's financial circumstances at the time of the notice of suspension. The inquiry covers the entire period from the issuance of the arbitration award to the present.").

⁶¹ *Pendergast*, 2024 FINRA Discip. LEXIS 23, at *23-24 ("Based on our evaluation of Pendergast's cash flow information provided in the SFC, after paying expenses, Pendergast has had, at a minimum, a positive monthly cash flow of \$1,489. This further demonstrates that Pendergast could have, but failed to, make meaningful payments towards satisfying the Award.").

time of the hearing in May 2026.⁶² Respondent confirmed at the hearing that his wife's earnings go towards payment of expenses that he and his wife incur.⁶³ While at some point this year she might no longer receive that income if she loses her job, her earnings are current income available to Respondent for purposes of determining an ability to pay.

Respondent disputes taking the full amount of the net settlement payment of \$155,278 as an asset because much less will be available after he allocates the money for anticipated income taxes and various liabilities and expenses. He estimates that he must set aside \$62,111, or 40 percent of it, to pay income taxes on the settlement amount in 2027 for the 2026 tax year.⁶⁴ But any taxes owed will be paid in 2027, about nine months from now. He also deducts \$14,632 to pay off the two lines of credit, \$1,416 for medical debt, and the \$10,680 owed to FINRA in arbitration fees.⁶⁵ Respondent, however, already included these liabilities on his SFC and I have incorporated them in my calculation of his net worth. He also deducts \$20,000 to pay off credit card debt, but only \$17,511 of this amount, as he testified, is for his wife's credit card debt, from which he benefits.⁶⁶ Even factoring in these amounts (but excluding the estimated \$62,111 he says he will owe next year for 2026 taxes) leaves over \$100,000 currently available to Respondent from the settlement, according to his own calculations, to make a meaningful payment toward the Award.

Even before Respondent received the payment from the settlement agreement, the evidence shows that he made asset choice allocations after the Award was issued in February 2026 that were inconsistent with his assertion of the inability-to-pay defense.⁶⁷ Because Respondent did not produce credit card statements, it is not clear what the minimum amounts due on the credit cards were and what specifically the credit cards were used for since issuance of the Award. In any event, it appears from the available evidence that he made substantial discretionary payments to credit cards used by his adult daughter beyond what he attributes towards rent. Specifically, after the Award was issued, from mid-February to the end of March 2026, monthly joint bank account statements reflect that a total of \$11,232 was paid towards his

⁶² See *Motherway*, 2023 SEC LEXIS 753, at *8-11 (Hearing Officer properly considered the assets of respondent's wife because respondent failed to meet his burden to show those assets were not available to him).

⁶³ Tr. 154-55.

⁶⁴ Respondent's Exhibit ("RX-1") 1, at 2.

⁶⁵ RX-1, at 2. I have excluded \$4,358 in future monthly rent and living expenses that Respondent subtracts from the \$155,278 because these are not current liabilities. RX-1, at 2.

⁶⁶ See *Pendergast*, 2024 FINRA Discip. LEXIS 23, at *23 ("making payments on the outstanding balance to creditors for more than the minimum amount required generally is viewed as an asset allocation choice that weighs against an inability-to-pay defense").

⁶⁷ See *DiPietro*, 2016 SEC LEXIS 1036, at *19 (rejecting inability-to-pay defense where respondent's expenses included, among other things, payments for more than the minimum amounts due on his credit cards, monthly gifts to an adult child, and car insurance payments for another child).

adult daughter's American Express account.⁶⁸ Similarly, although not reflected in the monthly statements that end on March 31, Respondent acknowledged making a substantial payment to satisfy his adult daughter's credit card debt after he received the settlement payment on April 30, 2026.⁶⁹

Respondent testified that he finally has "a little breathing room" for the first time in two and a half years.⁷⁰ However, "[m]erely showing serious financial distress or that it would be hard or painful to pay an arbitration award does not establish the [inability-to-pay] defense."⁷¹ He also repeatedly referenced his attempts to settle with Forbes Securities,⁷² but that is not a defense to Respondent's failure to pay the Award because the "duty to satisfy the [A]ward [is] absolute, and the arbitration claimants had no obligation to settle."⁷³

2. Insufficient Documentation of Financial Condition

"When a respondent asserts an inability-to-pay defense, we conduct a rigorous, searching inquiry into their financial circumstances and require the respondent to be entirely forthcoming and provide complete and accurate information."⁷⁴ Respondents asserting an inability to pay have an "obligation to come forward with full documentation of [their] financial situation since issuance of an award."⁷⁵ Respondent's evidence of his financial condition must not be insufficient or incomplete.⁷⁶

Here, as discussed above, the inability-to-pay defense principally fails because the record shows that Respondent could have paid the Award in full or in part. As a secondary reason the

⁶⁸ Respondent and his wife made payments of \$2,000, \$3,000, \$2,524, and \$3,708 to American Express from their joint bank account between February 18 and March 30, 2026. Tr. 110-12; JX-17, at 108, 113-14. The record demonstrates that the card belongs to Respondent's adult daughter. Tr. 89, 99, 104-07, 109, 112; JX-19. Even before the Award, for example, in December 2025, Respondent made payments of nearly \$11,000 towards the adult daughter's American Express card. *See* Tr. 105; JX-17, at 92-95.

⁶⁹ Tr. 132-33.

⁷⁰ Tr. 65.

⁷¹ *Borrero*, 2024 FINRA Discip. LEXIS 22, at *11-12 (quoting *Dep't of Enforcement v. Markus*, No. ARB210008, 2021 FINRA Discip. LEXIS 17, at *4-5 (OHO Aug. 17, 2021)); *see also Markus*, 2021 FINRA Discip. LEXIS 17, at *10 (rejecting inability-to-pay defense where respondent claimed he could not use money in bank account because he needed a "cushion").

⁷² Tr. 62-65, 76-80; *see also* JX-13; JX-14.

⁷³ *Robert Tretiak*, Exchange Act Release No. 47534, 2003 SEC LEXIS 653, at *13 (Mar. 19, 2003); *see also Dep't of Enforcement v. Ferguson*, No. ARB250016, 2025 NASDR OHO LEXIS 4, at *31-32 (OHO Dec. 24, 2025) ("An arbitration claimant is entitled to full payment and is not obligated to accept less or agree to an installment payment plan.") (citing *Reg. Operations v. Pincus*, No. ARB180031, 2019 FINRA Discip. LEXIS 7, at *21 (OHO Feb. 7, 2019)).

⁷⁴ *Pendergast*, 2024 FINRA Discip. LEXIS 23, at *12.

⁷⁵ *Tretiak*, 2003 SEC LEXIS 653, at *12 n.16.

⁷⁶ *Gallagher*, 2003 SEC LEXIS 599, at *9-12.

defense fails, I find that Respondent has not “provided a complete and documented picture of his financial condition.”⁷⁷ The incompleteness and lack of documentation is most prominent in the area of Respondent’s payments of credit cards used by his wife and his adult daughter since the Award was issued in mid-February and claimed credit card debt on the SFC. Simply put, Respondent did not provide the monthly credit card statements,⁷⁸ which prevents the searching inquiry necessary in a case like this.⁷⁹

IV. Conclusion

FINRA issued Respondent the Suspension Notice under FINRA Rule 9554 on March 13, 2026, for failing to pay the Award entered against him by the deadline. “‘Honoring arbitration awards is essential to the functioning of the [FINRA] arbitration system,’ and requiring ‘associated persons to abide by arbitration awards enhances the effectiveness of the arbitration process.’”⁸⁰ “Conditional suspension of [a respondent’s] association with FINRA members gives him an incentive to pay the award . . . [and] furthers two central purposes of the Exchange Act—serving the public interest and the protection of investors.”⁸¹

Based on the evidence presented at the hearing, I find that Respondent failed to show that he had an inability to either pay the Award in full or make a meaningful contribution toward satisfying the Award since mid-February 2026, when the Award was issued. The evidence shows that Respondent had the assets and income to pay the Award in full or in part at the time of the hearing. I find that a suspension will provide Respondent with an incentive to pay the Award.

V. Order

Based on the foregoing, and pursuant to Article VI, Section 3(b) of FINRA’s By-Laws, and FINRA Rule 9559(n), I **SUSPEND** Respondent Stephen Quisenberry from associating with any FINRA member firm in any capacity, effective upon the issuance of this Decision. The suspension shall remain in effect until Respondent produces sufficient documentary evidence to FINRA that (1) he has paid the Award in full; (2) he and the arbitration claimant have entered into a fully executed, written settlement agreement relating to payment of the Award, and he is current in fulfilling his obligations under the terms of the settlement; or (3) he has filed a petition in a United States Bankruptcy Court, or a United States Bankruptcy Court has discharged the

⁷⁷ See *Pendergast*, 2024 FINRA Discip. LEXIS 23, at *12 (“We find that Pendergast provided a complete and documented picture of his financial condition, and we therefore analyze the substance of his inability-to-pay defense.”).

⁷⁸ Tr. 98, 139.

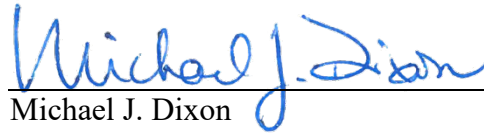
⁷⁹ See *Dep’t of Enforcement v. McGaffey*, No. ARB160047, 2017 NASDR OHO LEXIS 1 (OHO Mar. 16, 2017) (“He claimed to be unable to produce any credit card statements and therefore prevented any review of his credit card purchases and payment history.”).

⁸⁰ *Motherway*, 2023 SEC LEXIS 753, at *13 (quoting *Gallagher*, 2003 SEC LEXIS 599, at *13) (alteration in original).

⁸¹ *DiPietro*, 2016 SEC LEXIS 1036, at *24.

debt representing the Award. Should Respondent make such a showing, the suspension will automatically terminate.

Respondent is also **ORDERED** to pay the costs of this proceeding, which include \$1,821.97 for the hearing transcript plus a \$750 administrative fee, for a total of \$2,571.97.⁸² These costs are due and payable upon the issuance of this Decision.⁸³


Michael J. Dixon
Hearing Officer

Copies to:

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⁸² Respondent must pay the costs of the hearing before the suspension terminates.

⁸³ I considered and rejected without discussion all other arguments by the parties.