Disciplinary and Other FINRA Actions

Firm Expelled, Individual Sanctioned

Maxxtrade, Inc. (CRD® #106471, Lexington, Kentucky) and Myron David Schneidt (CRD #1560906, Registered Principal, Lexington, Kentucky) submitted an Offer of Settlement in which the firm was expelled from FINRA® registration and Schneidt was barred from association with any FINRA member in any capacity. The sanctions were based on findings that the firm, acting through Schneidt, its president and chief executive officer (CEO), charged customers markups or markdowns that were not fair and reasonable. The findings stated that the firm, acting through Schneidt and other representatives, priced bonds sold to, or purchased for, customers at three points or \$30 per bond over the firm's contemporaneous cost, irrespective of the price the firm paid. The trades were effected on a riskless principal basis and the markups/markdowns were not disclosed to the firm's customers. Because of the excessive markups/ markdowns, customers were charged higher prices had the markups been fair and reasonable, and because of the excessive markdowns, the customers received prices that were lower than they would have obtained had the markdowns been fair and reasonable. Most of the corporate bond transactions were readily available in the market, and were not difficult to obtain through the firm's clearing firm. The findings also stated that the firm and Schneidt failed to establish and maintain an adequate supervisory system, including written procedures, designed to ensure that the firm and its registered representatives complied with NASD® Rule 2440 and charged markups or markdowns on corporate bond transactions that were fair and reasonable. The findings also included that the firm and Schneidt failed to file a Uniform Branch Office Registration Form (Form BR) to register a branch with FINRA. Based on the business activity conducted at the branch, it should have been designated as an Office of Supervisory Jurisdiction (OSJ) but was not registered in any manner.

FINRA found that the firm and Schneidt failed to adequately supervise the branch; they failed to evidence any principal approval of new accounts, securities transactions or correspondence used in securities transactions by individuals at the branch office for more than two years. Despite that they knew, or should have known, about representatives' use of email accounts separate from firm accounts to communicate with customers, the firm and Schneidt failed to review the communications. One year, the firm and Schneidt failed to require representatives at this branch to attend any annual compliance meeting or interview, failed to hold a training meeting on compliance matters and failed to conduct a branch inspection. In fact, Schneidt never met the branch registered representatives in person. FINRA also found

Reported for May 2012

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).



that when two of the representatives became registered with the firm, they were either subject of a criminal conviction, subject to a regulatory investigation, named in arbitrations, the subject of customer complaints, suspended or terminated for cause by other FINRA firms; the firm, acting through Schneidt, failed to prepare and implement a plan of heightened supervision for the representatives for approximately three years. In addition, FINRA determined that the firm, acting through Schneidt, failed to establish, maintain and enforce numerous supervisory control policies and procedures; prepared inadequate annual internal audit reports for three years in that they failed to address obvious supervisory weaknesses present at the firm related to its supervision of the two representatives; and failed to prepare certifications that the firm had procedures in place to establish, maintain, review, test, and modify written compliance policies and written supervisory procedures (WSPs) reasonably designed to achieve compliance with applicable rules and securities laws. Moreover, FINRA found that the firm and Schneidt failed to implement heightened supervision for customer account activity of a registered representative who was a producing manager whose revenue constituted 20 percent or more of the branch's revenue and an exception to the requirement was not available to the firm and Schneidt because it failed to submit a notice that it was relying on the limited and resources exemption during two years. Furthermore, FINRA found that staff had requested these deficiencies be corrected but a year later, the firm and Schneidt had failed to correct some of the deficiencies. The findings also stated that the firm and Schneidt failed to amend, or timely amend, Uniform Applications for Securities Industry Registration or Transfer (Forms U4) and Uniform Termination Notices for Securities Industry Registration (Forms U5) to disclose material information. The findings also included that the firm and Schneidt failed to respond to FINRA requests for information and documents. (FINRA Case #2008011759202)

Firms Fined, Individuals Sanctioned

ACAP Financial Inc. (CRD #7731, Salt Lake City, Utah) and Gary Hume (CRD #1216949, Registered Principal, Syracuse, Utah) submitted a Letter of Acceptance, Waiver and Consent in which the firm was fined \$10,000 and shall undertake to retain, within 30 days of the date the National Adjudicatory Council (NAC) issues its decision in Disciplinary Proceeding No. 2007008239001, an independent consultant (IC) to conduct a comprehensive review of the adequacy of the firm's anti-money laundering (AML) program, policies, systems and procedures (written and otherwise). At the review which shall be no more than 160 days after the NAC issues its decision, the IC shall submit a written report; within 60 days after delivery of the written report, the firm shall adopt and implement the recommendations of the IC or propose alternative procedures to the IC. Within 30 days after the issuance of the IC's written report or written determination regarding alternative procedures, the firm shall provide FINRA with a written implementation report, certified by an officer of the firm, setting forth details of implementation of the recommendations. Hume was suspended from association with any FINRA member in any principal capacity for 45 days and shall complete 40 hours of AML training. Hume shall register for, within 120 days of the date

of issuance of the AWC, AML training in a program or programs acceptable to FINRA, and provide FINRA with evidence of the registration within 10 days of registration; attend such training within 180 days of the issuance of this AWC, and provide FINRA with evidence that he has completed such training within 10 days of completion of each such training program. In light of Hume's financial status, no fine was imposed. Without admitting or denying the findings, the firm and Hume consented to the described sanctions and to the entry of findings that the firm failed to establish and maintain an adequate system to monitor for, detect and investigate suspicious activity to determine whether it was necessary to file a Suspicious Activity Report (SAR). The findings stated that the firm did not have an adequate system or procedures to report suspicious activity. As a result, despite the presence of indicators of suspicious activity, the firm and Hume failed to file a SAR. The findings also stated that the majority of the firm's business was the deposit of large blocks of shares, primarily thinly traded penny stocks, and subsequent sale of those shares (liquidations). Customers often opened a new account with a deposit of physical certificates and sold the shares soon thereafter. Some customers had multiple accounts through which they deposited and liquidated their shares. The findings also included that Hume was the firm's designated AML Compliance Officer (AMLCO) and was also the designated supervisor for the creation and maintenance of the firm's policies and procedures.

FINRA found that the firm's WSPs contained its AML Program which contained a list of "red flags" that might suggest suspicious activity and the WSPs stated that the AMLCO was responsible for monitoring activity at the firm for suspicious activity. Hume had conversations with FINRA regarding the necessity of monitoring for, detecting and investigating suspicious activity to determine whether to file a SAR. Prior to this time, Hume did not establish adequate systems or procedures to monitor accounts for suspicious activity. Hume did not sufficiently monitor accounts for which he was the registered representative or any of the other accounts of the firm for suspicious activity, nor did he delegate this responsibility to any other firm employee. FINRA also found that after reviewing FINRA Regulatory Notice 09-05 and having conversations with FINRA staff, Hume mistakenly concluded that FINRA deemed all securities liquidations to be suspicious activity. Based on his mistaken belief, Hume decided to take an extreme approach and treated every liquidation as suspicious activity worthy of filing a SAR. When he first began filing SARs, Hume used the incorrect form for the first filings. The descriptions of the suspicious activity provided on the SAR forms that Hume filed on his firm's behalf did not include substantive information regarding the activity and were so broad as to be virtually useless. In addition, FINRA determined that in contrast, when one of the firm's registered representatives brought specific suspicious activity to Hume's attention and provided him with a completed SAR form, Hume did not investigate the suspicious activity in order to determine whether a SAR filing was warranted.

The suspension is in effect from April 16, 2012, through May 30, 2012. (FINRA Case #2009017601901)

Baldwin Anthony Securities, Inc. (CRD #45108, Dallas, Texas) and William Lewis Baldwin (CRD #11221, Registered Principal, Dallas, Texas) submitted an Offer of Settlement in which the firm was censured and fined \$15,000. A lower fine was imposed after considering, among other things, the firm's revenues and financial resources. Baldwin was fined \$10,000, suspended from association with any FINRA member in any capacity other than as a Financial and Operations Principal (FINOP) for 20 business days and suspended as a Research Analyst (Series 86 and 87) for 60 days. Without admitting or denying the allegations, the firm and Baldwin consented to the described sanctions and to the entry of findings that as part of his association with the firm, Baldwin prepared written research reports (the Baldwin Reports) that the firm and Baldwin sent to their customers, which addressed business activities, industry dynamics and projected share prices of publicly traded companies. The findings stated that Baldwin knowingly traded in the securities of one or more of the subject companies discussed in the Baldwin Reports. Baldwin conducted this trading through the brokerage account belonging to an entity for which he was a partner, his Individual Retirement Account (IRA), and his and his relative's joint account. Although Baldwin did not use a "recommend: buy or sell" format, the Baldwin Reports often contained statements regarding whether his customers should or should not own shares of stock in the subject companies. Of Baldwin's numerous trades, at least some involved securities of a subject company and were inconsistent with the recommendations contained in his most recent research report for the subject company. The findings also stated that the firm compensated Baldwin for his services but did not submit Baldwin's compensation to a committee that reported to the firm's board of directors for review and approval. The findings also included that Baldwin, through his brokerage account, IRA and a joint account with a relative, had financial interests in the securities of companies that were the subjects of research reports that the firm distributed. The Baldwin Reports did not disclose the fact or nature of Baldwin's financial interests in the subject companies.

FINRA found that the firm failed to file annual attestations with NASD or FINRA concerning its adoption and implementation of WSPs reasonably designed to ensure that the firm and its employees complied with the provisions of NASD Rule 2711. FINRA also found that the firm and Baldwin violated Securities and Exchange Commission (SEC) Regulation AC because the Baldwin Reports did not contain the required certifications. In addition, FINRA determined that the firm failed to establish and maintain a supervisory system sufficient to ensure that a registered principal reviewed and approved research reports prior to their publication, that research analysts the firm employed did not trade in the securities of subject companies during the blackout period, and that research analysts the firm employed did not trade in the securities of a subject company in a manner inconsistent with the analyst's recommendation in the firm's most recently published research report concerning that company. Moreover, FINRA found that the firm did not establish, maintain and enforce WSPs reasonably designed to ensure that its Research Department complied with all applicable NASD and FINRA rules.

The suspension in all capacities other than as a FINOP was in effect from April 2, 2012, through April 30, 2012. The suspension as a Research Analyst is in effect from May 1, 2012, through June 29, 2012. (FINRA Case #2009016264001)

Felix Investments LLC (CRD #148441, New York, New York), Emilio Antonio DiSanluciano (CRD #2755224, Registered Principal, New York, New York), William Lawrence Barkow (CRD #2660220, Registered Supervisor, Warren, New Jersey) and Frank Gregory Mazzola (CRD #2371623, Registered Supervisor, Upper Saddle River, New Jersey) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured, fined \$250,000 and required to retain, within 30 days of the date of the Notice of Acceptance of this AWC, an IC to conduct a comprehensive review of the adequacy of the firm's policies, systems and procedures (written and otherwise), and training relating to ensuring compliance in connection with solicitations of unregistered securities offerings, compliance with content standards for all communications by the firm and its brokers with the public, supervisory reviews of email communications and documentation of such reviews, as required. At the conclusion of the review, which shall be no more than 90 days after the date of the Notice of Acceptance of this AWC, the IC shall submit to the firm and FINRA a written report addressing these issues. Within 60 days after delivery of the written report, the firm shall adopt and implement the IC's recommendations or propose an alternative procedure. Within 30 days after the issuance of the written report or written determination regarding alternative procedures, if any, the firm shall provide FINRA with a written implementation report, certified by an officer of the firm, attesting to and setting forth the details of the firm's implementation of the IC's recommendations. DiSanluciano was fined \$20,000 and suspended from association with any FINRA member in any capacity for 10 business days. Barkow and Mazzola were each fined \$30,000 and suspended from association with any FINRA member in any capacity for 15 business days.

Without admitting or denying the findings, the firm, DiSanluciano, Barkow and Mazzola consented to the described sanctions and to the entry of findings that the firm, acting through its brokers, including DiSanluciano, Barkow and Mazzola, offered and sold interests in various single purpose limited liability companies (LLCs) formed to invest in non-public companies. The findings stated that two of the LLCs in which the firm offered and sold interests were formed to invest in an entity's stock. Barkow and Mazzola were co-managers of a management associate company which, in turn, managed the LLCs. The findings also stated that the offerings were securities and were not registered pursuant to the Securities Act of 1933. The firm was the exclusive placement agent for the LLC offerings for which it received a 5 percent placement fee from the gross proceeds raised from the LLC offerings, and Barkow, Mazzola and DiSanluciano each received a portion of the fees generated. The findings also included that the LLC offerings were not exempt from registration because the firm, acting through Barkow and Mazzola, pitched the unregistered offerings through general solicitations. As part of their general solicitation campaign, Barkow and Mazzola solicited people by email, touting the opportunity to own or invest in the entity's stock, without having first established a substantive relationship with each person solicited. The vast majority of the email solicitations were mass emails, disseminated on the same day or over the course of several days, with identical or similar boiler-plate terms. Mazzola also used lead lists that he purchased to cold call prospects about the specific investment

opportunities. By offering unregistered interests in the LLC offerings to prospective investors through general solicitations, the firm, Barkow and Mazzola engaged in public offerings subject to the registration requirements of Section 5 of the Securities Act and thereby violated FINRA Rule 2010.

FINRA found that the firm failed to enforce its WSPs against general solicitations of private placements. The firm failed to take adequate steps to ensure that brokers did not cold call (mass mail prospects with whom the firm and its brokers had no pre-existing substantive relationship); conduct meetings, including conference calls, offering a private placement unless each invitee is known and qualified in advance; or mention an offering to a prospective investor without first considering the suitability of the investment and prospective investor. FINRA also found that the firm did not require Barkow, Mazzola or any of its brokers to record or evidence what, if any, information they knew about each prospective investor's financials and sophistication before soliciting them. The firm also failed to inquire into whether or not the brokers had pre-existing substantive relationships with persons solicited. The firm should have, but did not, investigate signs of improper solicitations through mass mailings. Contrary to the firm's procedures, Mazzola also cold-called various prospects about specific investment opportunities; the firm should have, but did not, investigate signs of cold-calling and failed to take adequate steps to enforce its prohibition against cold-calling. In addition, FINRA determined that in marketing the LLC offerings, in communications with the public, the firm, acting through Barkow, DiSanluciano and Mazzola, made exaggerated, unwarranted, inaccurate, and misleading statements or claims. The communications were not fair and balanced and did not provide a sound basis for evaluating the investment opportunities. The facts undisclosed in the entity's Due Diligence Report were material omissions, as they caused the communication to be misleading in light of the context of the statements contained in the report. Moreover, FINRA found that Barkow conducted a telephone conference that contained misleading statements and claims, omitted material facts and was not fair and balanced; his omissions were material, as they caused his presentation to be misleading. Furthermore, FINRA found that no firm registered principal approved, by signature or initial and date, before their use, numerous items of sales literature or their substantive content, including, but not limited to, the firm's sales literature. FINRA also found that the firm operated a securities business on multiple days while failing to maintain its required minimum net capital.

The findings also included that the firm failed to retain all email communications concerning the firm's business, and failed to adequately enforce its WSPs for maintaining and retaining the emails, as required. FINRA found that the firm did not capture and/or preserve outgoing emails with "bcc" data showing addresses that were blind-copied, and did not otherwise record who and how people were blind-copied. FINRA also found that the firm failed to adequately enforce its WSPs regarding retention of email concerning the firm's business and failed to adequately implement its procedures, or implement a reasonable supervisory system, for the review its registered representatives' email

communications with the public relating to the firm's business. The firm failed to maintain any evidence clearly identifying the communications reviewed. For the review of outgoing emails, the firm failed to take reasonable steps to verify that the brokers had pre-existing relationships with the persons solicited by email; the email reviews did not adequately scrutinize the statements and claims in the emails to ensure they were fair and balanced, and not misleading or unwarranted.

DiSanluciano's suspension was in effect from April 2, 2012, through April 16, 2012. Barkow's and Mazzola's suspensions were in effect from April 2, 2012, through April 23, 2012. (FINRA Case #2010020933302)

Midas Securities, LLC (CRD #103680, Anaheim, California) and Jay S. Lee (CRD #4338187, Registered Principal, Anaheim Hills, California). The firm was fined \$80,000. Lee was fined \$50,000 and suspended from association with any FINRA member in any principal capacity for two years. The firm was prohibited from receiving and selling unregistered securities until it obtains an IC to review its procedures. The SEC sustained the sanctions following appeal of a NAC decision. The sanctions were based on findings that the firm unlawfully sold securities without a registration statement in effect or an available exemption. The findings stated that the firm and Lee failed to maintain adequate WSPs and to reasonably supervise firm registered representatives who engaged in the unregistered sales.

The suspension is in effect from April 16, 2012, through April 15, 2014. (FINRA Case #2005000075703)

World Trade Financial Corporation (CRD #42638, San Diego, California), Jason Troy Adams (CRD #2137404, Registered Principal, San Diego, California), Frank Edward Brickell (CRD #3257725, Registered Principal, Encinitas, California) and Rodney Preston Michel (CRD **#1275392, Registered Principal, Spring Valley, California).** The firm was fined \$45,000 and prohibited from receiving and selling unregistered securities until it obtains an independent consultant to review its procedures. Adams was fined \$20,000 and suspended from association with any FINRA member in any principal capacity for 30 business days. Brickell was fined \$15,000, and suspended from association with any FINRA member in any capacity for 30 business days. Michel was fined \$30,000 and suspended in any principal capacity for 45 days. The SEC sustained the sanctions following appeal of a NAC decision. The sanctions were based on findings that the firm and Brickell sold unregistered shares of an entity's security using interstate means, without a registration statement in effect or filed with the SEC. The findings stated that the firm sold 2.3 million shares of a thinly traded penny stock on behalf of some customers who held accounts with the firm. The findings also stated that the firm and Brickell claimed their transactions were exempt under Securities Act Section 4(4), but failed to meet their burden of establishing that the exemption applied to their sales. The findings also included that in connection with these sales, the firm, Michel, and Adams failed to supervise Brickell with a view to ensuring compliance with the Securities Act and NASD rules; and that Michel, Adams and

the firm ignored key red flags that should have prompted them to investigate whether Brickell was participating in an unlawful distribution. Adams, the day-to-day supervisor, admittedly knew that Brickell was selling large blocks of recently issued shares of a little-known penny stock, without registration, for customers with known ties to stock promotion. Michel, like Adams, reviewed the firm's trade blotters and customer account statements and monitored Brickell, and had he properly done so, he would have found that Brickell's sales of the entity's securities met the classic warning signs of an unregistered distribution. Such red flags required both supervisors to respond promptly and decisively by investigating whether Brickell's sales complied with the registration requirements. Neither supervisor conducted any investigation into Brickell's sales, nor did they require registered representatives to conduct any inquiry into the stock they sold for customers.

FINRA found that the firm's written procedures were also deficient. While a large portion of the firm's business comprised unregistered stock sales on the Pink Sheets, the firm's procedures were poorly designed to supervise this type of business and were not reasonably designed to deter or detect misconduct. The Supervisory Manual lacked meaningful guidance setting forth reasonable inquiry procedures for registered representatives to follow when customers sought to sell large amounts of an unknown stock to the public without registration.

The respondents have appealed this decision to the United States Court of Appeals and the sanctions are not in effect pending review. (FINRA Case #2005000075703)

Firm and Individual Fined

Global Transition Solutions, Inc. (CRD #21622, Peoria Heights, Illinois) and James Edward Zogby (CRD #2549557, Registered Principal, Placida, Florida) submitted a Letter of Acceptance, Waiver and Consent in which the firm and Zogby were censured and fined \$10,000, jointly and severally. Without admitting or denying the finding, the firm and Zogby consented to the described sanctions and to the entry of findings that the firm entered into an operating agreement with a non-registered entity by which the nonregistered entity would provide executive management services and administrative support for which the member firm would pay for these services. The findings stated that for approximately a year, the firm paid approximately \$1,050,000 in commissions and fees to the non-registered entity, and Zogby received a \$4,000 monthly fee from the entity for compliance-related services. The findings also stated that the firm earns its profits solely from the commissions charged for its securities transactions. The 90 percent of the operating profit shared with the entity constitutes commission- or transaction-based compensation, which may not be shared with a non-registered entity; therefore, the firm improperly paid the non-registered entity rather than paying compensation, commissions or fees directly to the registered representatives who owned the non-registered entity. The findings also included that after FINRA raised questions regarding the operating agreement, the firm stopped making the payments. (FINRA Case #2009016334901)

Firms Fined

AXA Advisors, LLC (CRD #6627, New York, New York) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$100,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it failed to supervise reasonably a former registered representative and failed to respond adequately to red flags concerning his fraudulent scheme to misappropriate customer funds. The findings stated that when the representative became associated with the firm, he had been the subject of customer complaints, including arbitrations, concerning his business practices at prior employers. The findings also stated that during an annual audit of the representative, the firm reviewed his computer and discovered a spreadsheet that reflected a payment schedule for individuals who he had induced to participate in his fraudulent scheme; the spreadsheet showed the total amount invested (\$323,000), the initial amounts each individual invested and the specific individual amounts due. The findings also included that upon discovering this document, the examiner who conducted the audit became suspicious and asked the representative to explain it. In person and later in an email, the representative provided unlikely explanations for the spreadsheet. He explained that a friend and potential client planned to start a business and needed advice on how to manage business finances. He claimed that he used the spreadsheet to show his friend how to keep track of assets and liabilities. In his email about the spreadsheet, the representative falsely explained that he used his name instead of his friend's company name, and that he used the names of individuals instead of vendors of his friend's company, so that the representative would not be liable for any plans that his friend put together on his own or any mistakes he made while inputting his information. The representative also explained that his friend provided the individual names that appeared on the spreadsheet, even though one of the named individuals was a client of the representative. FINRA found that despite these statements, the firm accepted the representative's explanation without adequate further review. (FINRA Case #2009020149901)

AXA Advisors, LLC (CRD #6627, New York, New York) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$50,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it had placed a registered representative on heightened supervision when he registered with the firm because he owed \$42,000 to creditors. The findings stated that despite being placed on heightened supervision, the representative was able to misappropriate approximately \$122,000 from a customer's account. The findings also stated that the customer had been the representative's customer at his prior firm and the representative arranged for the account to be transferred. The representative listed his own office address as the client's address of record and his cell phone number as the customer's phone number on the broker-dealer change form; the firm did not review the address on the broker-dealer change form and, during that period, did not have a system for detecting whether the address listed was the same as the address for a registered representative or

office of the firm. The findings also included that the representative misappropriated funds by sending requests for redemptions from the money market fund held in the customer's account to the mutual fund sponsor without the customer's authorization. Each of the requests was approved utilizing the firm's electronic suitability review system. The system assigned green flags to the redemptions, indicating they were transactions that the controls manager could approve in bulk without further review. Because the checks were received at the representative's office, the firm was unaware that the representative had received the checks and, therefore, the firm had not reviewed them. The representative fraudulently endorsed the checks and deposited them in his personal bank account. FINRA found that prior to an annual audit, a firm compliance officer selected the customer's file for review. In her review, the compliance officer noticed irregularities with a document in the file. After the firm's further review and investigation, the representative admitted that he had misappropriated funds from the customer's account. The firm discharged him and reimbursed the customer the approximately \$122,000 in funds that had been misappropriated. (FINRA Case #2009017466202)

The Baker Group, LP (CRD #7888, Oklahoma City, Oklahoma) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$80,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it failed to timely deliver official statements to customers purchasing a new issue municipal security during the primary offering disclosure period; the official statements were delivered between one and 14 days following settlement date. The findings stated that the firm failed to comply with the reporting requirements of Municipal Securities Rulemaking Board (MSRB) Rule G-14 by failing to accurately report transactions involving new issue municipal securities—the firm reported the transactions without the applicable special condition indicator, M020, and the firm incorrectly coded step-out trades with its clearing firm and step-out trades with another contra-party. In all but a few cases, the firm failed to report the associated contemporaneous principal transaction with the customer. The findings also stated that the firm failed to adopt, maintain and enforce adequate supervisory procedures to ensure compliance with MSRB Rule G-32's official statement delivery obligations relating to secondary market transactions involving new issue municipal securities. The firm failed to implement supervisory procedures addressing specifically how it would conduct reviews to ensure that all of its municipal securities transactions were being reported timely and accurately to the MSRB. The findings also included that the firm assigned each of its associated persons a firm-sponsored email address, and the firm's chief compliance officer (CCO) reviewed all emails sent or received via that platform; and following that review, any emails that did not involve a communication with the public relating to the firm's investment banking or securities business were systematically deleted. FINRA found that the firm utilized an internal instant messaging system for inter-office communications, but failed to preserve and maintain copies of any messages sent or received via that platform. The firm permitted its associated persons to utilize Bloomberg email accounts for businessrelated communications, including those with outside persons and entities, but failed to implement procedures for the supervisory review of those communications. (FINRA Case #2010020967201)

Canaccord Genuity Inc. fka Canaccord Adams Inc. (CRD #1020, Boston, Massachusetts) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$40,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it transmitted reports to the Order Audit Trail System (OATSTM) that contained erroneous route reports, incorrect OATS report types, an incorrect expiration timestamp, incorrect destination codes and incorrect member type codes. The findings stated that the firm failed to transmit almost all of its Reportable Order Events (ROEs) to OATS that it was required to transmit for one of its Market Participant IDs (MPID) on numerous business days to OATS during that review period. The findings also stated that the firm failed, within 90 seconds after execution, to transmit last sale reports of transactions in designated securities to the FINRA/NASDAQ Trade Reporting Facility® (FNTRF). (FINRA Case #2009017004501)

Cowen and Company, LLC (CRD #7616, New York, New York) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured, fined \$17,500 and required to revise its WSPs regarding best execution (execution of customer orders as agent routed to and executed by other parties based on order-by-order routing decisions by the firm); short sales (naked short selling anti-fraud rule); and SEC Rule 611(b)(1) of Regulation NMS with regard to the self-help exception. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it transmitted reports to OATS that inaccurately reported an "N" in the customer instruction flag field, failed to report an MPID to OATS in the Sent to MPID field and also improperly included a destination code of "N" in some instances. The findings stated that the firm inaccurately marked its trading ledger as long when the firm's position at the time of execution was short, and failed to show the correct time of entry on several brokerage order memoranda. The findings also stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with applicable securities laws, regulations and FINRA rules concerning best execution (execution of customer orders as agent routed to and executed by other parties based on order-by-order routing decisions by the firm), short sales (naked short selling anti-fraud rule), and SEC Rule 611(b)(1) of Regulation NMS with regard to the self-help exception. (FINRA Case #2009017006301)

DirectEdge ECN LLC dba De Route (CRD #135981, Jersey City, New Jersey) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$17,500. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it transmitted Execution or Combined Order/Execution Reports to OATS that contained inaccurate, incomplete, or improperly formatted data, so OATS was unable to link the execution reports to the related trade reports in a FINRA trade reporting system. (FINRA Case #2010023690301)

Kalos Capital, Inc. (CRD #44337, Alpharetta, Georgia) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$45,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it allowed its representatives in non-OSJs to use outside email addresses to send and receive securities-related email. The firm's system did not preserve communications from outside email addresses, unless the communications were sent from or forwarded to a firm-monitored system. The findings stated that the firm did not have a procedure that required duplicate emails to be sent to a common folder for review and retention but relied on its registered representatives to electronically forward copies of securities-related emails to the firm's system. The firm had no system or procedure to monitor and ensure that securities-related emails were forwarded for review and archiving but relied solely on its branch auditing program to ensure compliance with the email forwarding requirement. The findings also included that the firm's branch auditing program required audits of non-OSJ branches every three years; the firm failed to ensure that all non-OSJ branches were audited every three years, and none of the non-OSJ branch audits that were conducted raised any red flags or concerns regarding the use of outside email addresses.

FINRA found that the firm failed to have a supervisory system to ensure that all emails were reviewed by a principal as required by its WSPs, and ensure that a principal reviewed and approved all outgoing email correspondence. FINRA also found that the firm failed to establish, maintain and enforce a supervisory system and WSPs reasonably designed to ensure the review and retention of securities-related email correspondence of its registered representatives, and failed to review and approve securities-related emails sent to the public by its registered representatives located in non-OSJ offices, thereby failing to enforce its procedures concerning securities-related emails of its registered representatives conducting business out of non-OSJ offices. In addition, FINRA determined that the firm failed to maintain securities-related emails of its registered representatives working out of non-OSJ offices because it did not have a system to store electronic communications of its registered representatives working out of non-OSJ offices in a non-rewriteable, non-erasable format as required. (FINRA Case #2010020881901)

Legend Securities, Inc. (CRD #44952, New York, New York) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$20,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it failed to report information regarding transactions effected in municipal securities to the Real-time Transaction Reporting System (RTRS) in the manner prescribed by MSRB Rule G-14 RTRS Procedures and the RTRS Users Manual; the firm failed to report information about such transactions within 15 minutes of trade time to an RTRS Portal. The findings stated that the firm failed to enforce its WSPs, which specified that the firm's Municipal Securities Principal would verify its compliance with MSRB reporting requirements and document such reviews with, at a minimum, dates, scope of review, the name of the individual conducting the review and findings. (FINRA Case #2009020544401)

Mizuho Securities USA Inc. (CRD #19647, New York, New York) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured, fined \$37,500, required to revise its WSPs regarding transaction reporting to the Trade Reporting and Compliance Engine® (TRACE®) and required to report to TRACE the inter-dealer transactions in TRACE-eligible securities not previously reported. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it failed to report transactions in TRACE-eligible securities to TRACE within 15 minutes of the execution time. The findings stated that the firm reported to TRACE some transactions in TRACE-eligible securities it was not required to report. The findings also stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with applicable securities laws, regulations and FINRA rules concerning transaction reporting to TRACE. The findings also stated that the firm failed to report to TRACE the correct trade execution time for transactions in TRACE-eligible securities in matched inter-dealer reports the firm submitted to TRACE.

FINRA found that the firm failed to show the correct execution time on brokerage order memoranda and failed to report some transactions to TRACE in TRACE-eligible securities it was required to report. FINRA also found that the firm failed to report to TRACE the correct contra-party's identifier for transactions in TRACE-eligible securities, and reported inaccurate or incomplete information for some additional transactions in TRACE-eligible securities; the firm failed to report the Committee on Uniform Securities Identification Procedures (CUSIP) in one transaction, and failed to report the correct volume, the correct price or the correct perspective in other transactions. In addition, FINRA determined that the firm failed to report transactions in TRACE-eligible agency debt securities to TRACE within 15 minutes of execution time, and failed to report the correct trade execution time for some transactions in TRACE-eligible agency debt securities. (FINRA Case #2009019187801)

Montrose Securities International (CRD #35603, San Francisco, California) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$18,500. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it failed to transmit numerous ROEs to OATS on numerous business days. The findings stated that the firm failed to enforce its WSPs, which specified that the designated principal would review exception reports and the OATS website on a periodic basis, but no less than monthly, to ensure proper submission of reportable events. The firm failed to conduct a supervisory review during the review period to ensure the firm's Order Sending Organization (OSO) submitted OATS reportable events. (FINRA Case #2010024458401)

Multiple Financial Services, Inc. (CRD #100100, Irvine, California) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$10,000. A lower fine was imposed after considering, among other things, the firm's revenues and financial resources. Without admitting or denying the findings, the firm consented to the

described sanctions and to the entry of findings that it failed to maintain and preserve all of its outgoing business-related emails. The findings stated that the firm's method of capturing outgoing emails consisted of requiring its registered representatives to carbon copy or forward a copy of the emails to the firm's Compliance Department, but the firm did not have a procedure in place to verify that such practice was taking place. The findings also stated that although the firm's WSPs required the review of all emails, it failed to implement this procedure in that there was no review of outgoing electronic communications at the firm. (FINRA Case #2011028393801)

NBC Securities, Inc. (CRD #17870, Birmingham, Alabama) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$15,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it reported S1 transactions to TRACE in TRACE-eligible corporate debt securities that it was not required to report. The findings stated that the firm failed to enforce its WSPs, which specified that the designated principal shall conduct daily TRACE-reporting reviews. (FINRA Case #2010024726701)

Oppenheimer & Co. Inc. (CRD #249, New York, New York) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$18,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it failed, within 90 seconds after execution, to transmit to the Over-The-Counter Reporting Facility (OTCRF) last sale reports of transmissions in OTC equity securities, and failed to designate some of the last sale reports as late. The findings stated that the firm reported some last sale reports of transactions in OTC equity securities it was not required to report, and failed to report the correct execution time to the OTCRF in some last sale reports of transactions in designated securities. (FINRA Case #2009018428701)

Quantlab Securities LP (CRD #119955, Houston, Texas) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$52,500. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it transmitted Route or Combined Order/Route Reports to OATS that OATS was unable to link to the related order routed to NASDAQ due to inaccurate, incomplete or improperly formatted data. The findings stated that the firm effected short sales in the publicly traded securities of certain financial firms that had been banned as identified in Appendix A (as included financial firms) of the SEC's Regulation SHO Short Sale Ban Emergency Order, without the exemptions provided under the Emergency Order. The findings also stated that after FINRA inquired into certain instances, the firm self-identified additional instances in which it effected short sales in the publicly traded securities of certain financial firms that had been banned without the exemptions provided under the Emergency Order. The sanctions set forth take into consideration the fact that the firm self-reported these violations. (FINRA Case #2009018159001)

Raymond James Financial Services, Inc. (CRD #6694, St. Petersburg, Florida) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured, fined \$400,000, and shall undertake to conduct a comprehensive review of the adequacy of its AML policies, systems, procedures (written and otherwise) and training. At the conclusion of the review, which shall be no more than 90 days after the date of the Notice of Acceptance of the AWC, the firm shall certify that its procedures are reasonably designed to achieve compliance with FINRA Rule 3310. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it failed to implement procedures reasonably designed to detect and cause the reporting of suspicious transactions in the accounts of its customer who used his brokerage accounts at the firm to conduct a Ponzi scheme that resulted in losses of approximately \$17.8 million to the individuals who provided funds to him. The findings stated that the firm failed to implement policies and procedures that could reasonably have been expected to detect and cause the reporting of suspicious activity in the customer's accounts. The findings also stated that the firm failed to devote adequate resources to its AML program, failed to adequately investigate suspicious activity in the customer's accounts, failed to implement its AML program to adequately consider numerous red flags related to the customer's accounts, and failed to conduct adequate due diligence or monitoring of the customer's accounts. (FINRA Case #2009018985203)

Rice Securities, LLC dba Rice Financial Products Company (CRD #21606, New York, New York) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$10,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it failed to report \$1 transactions in TRACE-eligible agency debt securities to TRACE within 15 minutes of the execution time. The findings stated that the firm failed to report the correct market identifier for some transactions in TRACE-eligible agency debt securities to TRACE. (FINRA Case #2011026316401)

Santander Investment Securities, Inc. (CRD #37216, New York, New York) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$50,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it mismarked short sales of certain transactions of American Depository Receipts (ADRs) as "long" when the firm did not own the ADRs because it believed it owned the ADRs based on its purchase of the underlying local shares, before receiving delivery of the ADRs. The firm, however, did not own the ADRs at the time that it sold them and should have marked the sale as "short." Because the firm treated the transactions as long sales, it did not obtain locates, pursuant to Regulation SHO, prior to effecting the short sales. The findings also stated that the firm sold securities to its customers from its proprietary account to facilitate customer transactions in the afterhours market. On the occasions when it did not hold a position in the subject security, it sold the securities short to the customer from the customer facilitation account, but did not borrow or arrange to borrow the shares before effecting the sale, in reliance on Regulation

SHO's market-making exception. The transactions were not market-making transactions because the firm was not holding itself out to the public as willing to buy and sell such securities, but rather, was facilitating the transactions of its customers. The firm misused the market-making exception and failed to obtain locates for short sales, as required by Regulation SHO, that it effected to facilitate customer transactions in the after-hours market. The findings also included that the firm's procedures were deficient in that they allowed the mismarking of certain short sales in ADRs; the firm's procedures did not require it to mark sales of ADRs short when it had purchased the underlying common shares in the local (foreign) market for delivery to the transfer agent to exchange into the ADRs but did not yet own the ADRs. FINRA found that the firm's supervisory procedures were also deficient in that they allowed the firm, with respect to certain short sales effected to facilitate customer transactions to misuse Regulation SHO's market-maker exception and failed to obtain locates as a result. (FINRA Case #2010023545101)

SEI Investments Distribution Co. (CRD #10690, Oaks, Pennsylvania) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$225,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it reviewed and approved advertising and sales literature for Exchange-Traded Funds (ETFs) that depicted the performance history of certain indexes without disclosing that it included back-tested index performance history, which was unwarranted because it purported to indicate that the index had a performance history that was longer than the actual existence of the index. The inclusion of undisclosed backtested index performance history and the failure to identify the source of that back-tested index performance history did not provide potential investors a sound basis for evaluating the index performance history presented in the ETF advertising and sales literature. The findings stated that the firm's registered principals reviewed and approved presentations relating to certain hedge funds and private equity funds that did not comply with the content standards of NASD Rule 2210. The firm acted as the distributor or placement agent for the funds, and some of the presentations were prepared and/or presented by at least one person registered with the firm. Presentations did not provide a sound basis for certain statements and claims, presented unclear material, made unwarranted/exaggerated claims or used outdated data. The findings also stated that the firm failed to implement effective supervisory procedures reasonably designed to achieve compliance with the content standards of NASD Rule 2210. The findings also included that the firm's procedures failed to cause the registered principal reviewing hedge fund communications to review such communications for compliance with the content standard. FINRA found that the firm failed to implement effective supervisory procedures relating to the supervision of the registered principals who reviewed the advertising and sales literature because it did not have a formal process to make sure they were appropriately reviewing and approving the advertising and sales literature submitted to them. (FINRA Case #2009018186201)

SMH Capital Inc. nka Sanders Morris Harris Inc. (CRD #20580, Houston, Texas) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$10,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it failed to accurately report the execution times for transactions in corporate debt securities and failed to timely report the transactions in TRACE-eligible securities to TRACE within 15 minutes of execution. The findings stated that the firm inaccurately reported the execution times for some of the transactions in its order memorandum. (FINRA Case #2009019368101)

Stifel, Nicolaus & Company, Incorporated (CRD #793, St. Louis, Missouri) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured, fined \$350,000 and ordered to pay restitution to affected customers in an amount not to exceed \$250,000, plus interest. A registered firm principal will submit to FINRA a proposed plan of how it will compensate affected customers within 30 days of the effective date of this AWC. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it failed to supervise a registered representative who had pending customer complaints on record concerning his annuities business at his prior employer, had other customer complaints, also arising from his prior business, and was experiencing severe financial difficulties. Despite the heightened compliance risk the representative presented, the firm failed to respond adequately to subsequent red flags concerning two of its customers who were investors in the representative's Ponzi scheme. The findings stated that the firm became aware of letters written by one of the customers concerning an investment club. The representative's supervisor discussed the letters with him, and he falsely explained that the letters reflected a misunderstanding with his client and that he did not have any financial involvement with the investment club. The firm failed to detect or adequately investigate emails from the customer to the representative concerning the investment club. The findings also stated that the correspondence from the customer concerning the investment club, and the fact that the representative was involved in an undisclosed outside activity, should have sent a signal to the firm that he was engaged in improper activities. The firm failed to act reasonably upon these warning signs, thus enabling the representative to continue his fraudulent scheme. The findings also included that the firm failed to adequately follow up and investigate a \$15,000 cashier's check from another customer, which was hand-delivered to the firm's branch office and given to the representative's supervisor. The supervisor contacted the customer, who misinformed the supervisor as to the nature of the check. When confronted, the representative made a false statement. FINRA found that the supervisor asked the representative for a written explanation, and the representative misinformed the supervisor regarding the check, signed a firm attestation that he fully understood the firm's rules prohibiting borrowing money from clients, and confirmed that he had not borrowed money from clients during his employment with the firm. FINRA also found that despite concerns that the representative may have engaged in misconduct, neither his supervisor nor the firm's compliance team took further action to investigate the red flags surrounding the \$15,000 cashier's check, thereby enabling him to continue his fraudulent scheme. (FINRA Case #2009020149801)

Susquehanna Financial Group, LLLP (CRD #35865, Bala Cynwyd, Pennsylvania) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$10,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it issued research reports on an issuer of securities but failed to disclose in them that a member of a firm research analyst's household had a financial interest in the company's securities. The findings stated that at times when transactions in the research analyst's household accounts involving the company's securities were proscribed under NASD Rule 2711(g)(2), a total of 675 shares of the company's common stock were sold in the household accounts in transactions during restricted trading periods, some of which were inconsistent with the "hold" recommendation contained in the most recent research report the firm had published. (FINRA Case #2011025597501)

TWS Financial, LLC (CRD #128572, Washington, DC) submitted an Offer of Settlement in which the firm was censured and fined \$20,000. Without admitting or denying the allegations, the firm consented to the described sanctions and to the entry of findings that it effected in a customer's account, as agent, sales of securities for which no registration statement was in effect and failed to conduct a reasonable inquiry to determine if a valid exemption from registration was available for the securities or transactions. The findings stated that the customer was a corporation licensed as a securities broker-dealer in the Bahamas. In connection with opening its account, an officer and/or employee of the corporation told the firm's CCO that it intended to deposit securities to the account and liquidate them. The findings also stated that in connection with the customer's deposit to its account and sales of all securities, no person associated with the firm at any time conducted any inquiry, or any reasonable inquiry into the customer's acquisition of the respective securities including, but not limited to, how, when and from whom the customer acquired them; whether a registration statement was in effect for the shares under the Securities Act of 1933; and/or whether any valid exemption from registration under the Securities Act applied to the securities or the transactions. Based on this and other circumstances, the firm did not establish that an exemption applied to the securities or the transactions. The sales generated a total of about \$25,040 in commissions for the firm. The findings also included that the firm failed to establish and maintain a supervisory system, and failed to establish, maintain and enforce WSPs reasonably designed to achieve compliance with Section 5 of the Securities Act. The firm did not have WSPs for, or did not have any meaningful written policies or procedures, pertaining to deposits by customers to accounts at the firm (including transfers from accounts held at other broker-dealers) of large quantities of common stock issued by companies that traded on the Over-the-Counter Bulletin Board (OTCBB) and to the ensuing sales of such securities.

FINRA found that the firm did not have policies or WSPs addressing, with respect to deposits of securities by customers to their accounts, when or under what circumstances an inquiry should be conducted by representatives, by supervisory or compliance personnel or by operations personnel to determine how or from whom the customer had acquired

the securities, including whether the customer acquired them from an issuer, underwriter or dealer and thus might be engaged in distribution of the securities; if a registration statement was in effect for the securities; and whether an exemption from registration under the Securities Act was available for prospective or attempted sales of the securities. The firm therefore did not have policies or WSPs addressing what steps and actions such inquiries should entail, or what documents and information should be obtained and reviewed in conducting such inquiries. FINRA also found that as a result of the firm's failure to establish policies and WSPs reasonably designed to achieve compliance with Section 5 of the Securities Act, it did not conduct any inquiry, or reasonable inquiry, to determine if any exemption for the securities or transactions was available for the customer's sales of securities. (FINRA Case #2010021079602)

TWS Financial, LLC (CRD #128572, Washington, DC) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$25,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it used the means and instruments of interstate commerce to effect in customers' accounts, as agent, sales of over 100,000,000 shares of common stock for which no registration statement was in effect under Section 5 of the Securities Act of 1933. The findings stated that the securities and transactions were not otherwise exempt from registration. The common stock sold, for a total of about \$7,080,000, was issued by different companies and traded in the OTC markets. (FINRA Case #2010021079603)

Ultralat Capital Markets, Inc. (CRD #136791, Miami, Florida) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$20,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that for approximately 10 months, it allowed an individual to serve as its president and CEO and to act in a General Securities Principal (GSP) capacity without being so registered or qualified. The individual was involved in the management of the firm's securities business—hiring personnel, amending the firm's processes and procedures, renegotiating the firm's contract with its clearing firm, negotiating new firm office space, and signing a non-exclusive foreign introducing referring agreement for the firm. The findings stated that although the individual had a General Securities Representative (GSR) license and had registered to take the GSP exam, he did not pass it until after he had left the firm. The findings also stated that for approximately four months, the firm allowed another individual to serve as its president and CEO, and to act in a GSP capacity without being so registered. The individual was involved in the management of the firm's securities business—hiring employees, supervising the trade desk and presenting issues to the firm's board of directors. Although the individual had registered to take the GSP exam, he did not pass it until a later date. The findings also included that for a total of approximately 15 months, the firm operated with only one officer or partner who was registered or authorized to function as a GSP, without a waiver of the two principal requirement and, for almost a month, the firm operated without any officer or partner who was registered or authorized to function as a GSP. After the resignation of its designated

licensed Limited Principal-Introducing Broker/Dealer Financial and Operations (FINOP), the firm did not designate a new FINOP until a later date, and did not have a designated FINOP for more than a month. (FINRA Case #2010020937901)

Van Clemens & Co. Incorporated (CRD #6914, Minneapolis, Minnesota) submitted a Letter of Acceptance, Waiver and Consent in which the firm was censured and fined \$25,000. Without admitting or denying the findings, the firm consented to the described sanctions and to the entry of findings that it contracted with a third-party vendor for purposes of email retention, and failed to adequately monitor the vendor's retention of its emails. The findings stated that the vendor deleted firm emails that were more than one year old, but failed to provide the firm with copies of the emails prior to the deletion. The firm believed that it would be provided copies of the emails prior to the deletion. The findings also stated that due to a technical issue, the same third-party vendor failed to maintain and preserve the firm's outgoing emails for approximately 18 months. The firm did not discover this issue until following a FINRA examination. The findings also included that the firm and its third-party vendor failed to retain evidence of the firm's supervisory review of emails in accordance with its policy and as required by NASD Rule 3010(d). (FINRA Case #2011025499401)

Individuals Barred or Suspended

Ryan Kimball Adams (CRD #5510273, Registered Representative, Provo, Utah) was barred from association with any FINRA member in any capacity. The sanction was based on findings that Adams converted \$2,883.12 by depositing an annuity withdrawal check payable to another insurance agent into his personal bank account. The findings stated that Adams received the check in error but denied at first that he had taken it. After Adams admitted he had deposited the check into his bank account, he wrote a check to reimburse the insurance company; however, the check was returned because it was written on a frozen/blocked account. The findings also stated that Adams pled guilty to a Class A misdemeanor for wrongful appropriation and was ordered to pay restitution of \$2,883.12 to the insurance company. The findings also included that Adams failed to respond to FINRA requests for information. (FINRA Case #2010023238301)

Jose Vicente Alvarado (CRD #2197407, Registered Representative, Key Biscayne, Florida) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$10,000 and suspended from association with any FINRA member in any capacity for 10 business days. The fine must be paid either immediately upon Alvarado's reassociation with a FINRA member firm following his suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the findings, Alvarado consented to the described sanctions and to the entry of findings that for approximately 10 months, he served as the president and CEO of, and acted in the capacity of, a GSP for his member firm, without being registered or qualified as a GSP. The findings stated that Alvarado was involved in the management of the firm's

business, hiring personnel, amending firm processes and procedures, renegotiating the firm's contract with its clearing firm, negotiating new firm office space, and signing a non-exclusive foreign introducing referring agreement for the firm.

The suspension was in effect from March 19, 2012, through March 30, 2012. (FINRA Case #2010020937902)

Jeffrey Allan Ashton (CRD #4146295, Registered Representative, Plymouth, Michigan) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for nine months. The fine must be paid either immediately upon Ashton's reassociation with a FINRA member firm following his suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the findings, Ashton consented to the described sanctions and to the entry of findings that he failed to timely update his Form U4 to disclose material information. The findings stated that Ashton failed to timely respond to FINRA requests for information and documents.

The suspension is in effect from March 19, 2012, through December 18, 2012. (FINRA Case #2010025343802)

Brett Reed Barber (CRD #4460674, Registered Representative, Costa Mesa, California) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Barber consented to the described sanction and to the entry of findings that he produced all requested documents during a FINRA on-the-record interview but failed to respond to remaining questions following a break in the interview. The findings stated that Barber failed to appear and provide further sworn testimony at a later on-the-record interview. Barber's counsel informed FINRA in writing that Barber would neither appear, nor provide any further sworn testimony at an OTR in connection with FINRA's investigation. (FINRA Case #2010021775001)

Ronald James Bateh (CRD #869380, Registered Principal, Atlanta, Georgia) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$10,000 and suspended from association with any FINRA member in any principal capacity for 30 days. Without admitting or denying the findings, Bateh consented to the described sanctions and to the entry of findings that he permitted his member firm to conduct securities business, utilizing the means and instrumentalities of interstate commerce, while net capital deficient. The findings stated that on two occasions, Bateh was advised of a net capital deficiency by the firm's FINOP but allowed the firm to continue to conduct securities business. On other occasions, Bateh was advised by FINRA staff of adjustments to the firm's net capital that resulted in a net capital deficiency, but allowed the firm to continue to conduct securities business.

The suspension is in effect from April 16, 2012 through May 15, 2012. (FINRA Case #2011027280602)

Charles Oscar Boneck Jr. (CRD #4683220, Registered Representative, Walnut Creek, California) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Boneck consented to the described sanction and to the entry of findings that he exercised discretion with respect to securities transactions in customer accounts without the customers' written authorization and without the firm's acceptance of the accounts as discretionary. The findings stated that approximately two months after Boneck purchased shares of securities for a customer's account, the customer complained he had not authorized the purchases. To address the customer's complaint, Boneck emailed the firm's Trading Department and asked that the shares be transferred to another customer's account, falsely claiming he pulled the trigger in the wrong account; the second customer had not authorized any such purchases. The findings also stated that by intentionally providing false information to his member firm, Boneck failed to uphold high standards of commercial honor and just and equitable principles of trade.

The findings also included that Boneck borrowed \$3,000 from a customer, contrary to his member firm's written procedures prohibiting borrowing money from customers under any circumstances. After FINRA requested information regarding the loan, Boneck emailed his written response to FINRA, falsely claiming he had never borrowed money from any customer. FINRA found that when his firm found a promissory note on his computer, Boneck denied that it evidenced a loan from the customer, but falsely claimed he had purchased the document for \$11 over the Internet on behalf of the customer who was considering borrowing money from a family member. Boneck made these false claims to FINRA because he was concerned about the disciplinary consequences of his actions. (FINRA Case #2010022556901)

Frederick John Bothmer (CRD #1365059, Registered Supervisor, Carlsbad, California) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$10,000, suspended from association with any FINRA member in any capacity for one year and required to register for eight hours of ethics training in a program acceptable to FINRA, complete the ethics training within three months of reassociation with a FINRA member firm, and provide evidence to FINRA that he has completed such training within 10 days of completion of the program. The fine must be paid either immediately upon Bothmer's reassociation with a FINRA member firm following his suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the findings, Bothmer consented to the described sanctions and to the entry of findings that he improperly requested, and in some instances permitted, another person associated with his firm to complete 19 online courses and tests on his behalf. The findings stated that Bothmer requested or permitted the other individual to complete long-term care (LTC) insurance continuing education (CE) courses, Firm Element courses, firm wealth management advisor program designation courses and the associated final exam for the designation, firm employee policy courses and a product CE course.

The suspension is in effect from March 19, 2012, through March 18, 2013. (FINRA Case #2011027217301)

Catherine Leigh Brown (CRD #1332036, Registered Principal, Bermuda Dunes, California) submitted a Letter of Acceptance, Waiver and Consent in which she was fined \$7,500 and suspended from association with any FINRA member in any capacity for 15 business days. The fine must be paid either immediately upon Brown's reassociation with a FINRA member firm following her suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the findings, Brown consented to the described sanctions and to the entry of findings that she deposited \$89,000 of her personal funds as gifts into a customer's account in violation of her member firm's policies and procedures, and made misstatements on the firm compliance certification. The findings stated that Brown deposited the gifts into the customer's account without reporting them to her firm. The firm's policies and procedures required associated persons to report gifts to customers in excess of \$100. The findings also stated that Brown completed a compliance questionnaire for the firm's annual compliance inspection of Brown's branch office and failed to account for the checks deposited into the customer's account. The findings also included that after completing the compliance certification, Brown deposited an additional \$50,000 by check or wire transfer into the customer's account.

The suspension was in effect from April 16, 2012, through May 4, 2012. (FINRA Case #2009016946301)

Leonard Eric Burd (CRD #2937326, Registered Representative, South Natick, Massachusetts) submitted an Offer of Settlement in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for 30 business days. Without admitting or denying the allegations, Burd consented to the described sanctions and to the entry of findings that he improperly altered customer contact records in his member firm's computer system. The findings stated that Burd decided that he was leaving the firm to become employed with another FINRA member firm. The findings also stated that while still employed at the firm, Burd accessed its computer system and made alterations to the telephone and email contact records for some of his customers there. The specific alterations that Burd made included the deletion of telephone numbers, the entry of inaccurate and non-working telephone numbers, and the deletion of email addresses. Burd, having maintained a relationship as the registered representative for these customers while at the firm, sought to take the customers with him to another member firm. The findings also included that the firm's exception report system detected Burd's alterations, and, on a least two occasions, firm personnel questioned Burd about them. In response, Burd falsely stated, in sum and substance, that the alterations were inadvertent and that he was not leaving the firm. FINRA found that while under investigation by the firm for the improper alterations, Burd resigned from the firm, retaining a document containing customer contact information for the firm customers he serviced. That document reflected the customer contact information in its original, unaltered form.

The suspension was in effect from March 19, 2012, through April 30, 2012. (FINRA Case #2009017279201)

John Brian Busacca III (CRD #2302780, Registered Principal, Orlando, Florida) was fined \$30,000 and suspended from association with any FINRA member in any principal capacity for six months. The SEC sustained the sanctions following appeal of a NAC decision. The U.S. Court of Appeals denied Busacca's petition for review. The sanctions were based on findings that Busacca failed to reasonably supervise the firm's operations system conversion and its operations activities to detect and/or prevent certain violations. including, but not limited to, inaccurate box counts, erroneous records of customer securities, failure to timely validate or take exception to transfer instructions, failure to make timely buy-ins, failure to timely liquidate unpaid-for customer securities positions in cash accounts in violation of Regulation T of the Federal Reserve Board, violation of margin requirements as prescribed by NASD Rule2520(c), and failure to report data to FINRA. The findings stated that Busacca failed to reasonably supervise the firm's operations considering his extensive travel and focus on business development despite his knowledge of the firm's significant operational problems, the lack of adequate personnel in place to address the firm's problems, and Busacca's failure to diligently and promptly address all of the firm's operational issues. The findings also stated that Busacca, acting on his member firm's behalf as its president, employed an unregistered CCO.

The suspension is in effect from April 16, 2012, through October 15, 2012. (FINRA Case #E072005017201)

Mayra Alejandra Carpena (CRD #5792814, Registered Representative, Tucson, Arizona) submitted a Letter of Acceptance, Waiver and Consent in which she was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Carpena consented to the described sanction and to the entry of findings that she worked as a personal banker at her member firm's bank; in that capacity, she helped two customers open a joint savings account and, several weeks later, forged the customers' signatures on two forms. The findings stated that on the first form, Carpena forged the signature of one of the customers, requesting that the customer be removed from the joint account. Carpena signed as having witnessed the customer's signature. On a second form, Carpena forged the other customer's signature, which added an individual to the joint account from which the customer had been removed, thereby creating a joint account held by one of the customers and the individual, who was Carpena's friend. The customer was completely unaware of the establishment of a joint account with the individual. Carpena also forged her friend's signature. The customers, who were actual owners of the joint account, did not know the individual. (FINRA Case #2011028249801)

John Michael Chapman (CRD #5443581, Registered Representative, New York, New York) submitted an Offer of Settlement in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for six months. The fine must be paid

either immediately upon Chapman's reassociation with a FINRA member firm following his suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the allegations, Chapman consented to the described sanctions and to the entry of findings that he failed to respond timely to FINRA requests for information and documents.

The suspension is in effect from April 2, 2012, through October 1, 2012. (FINRA Case #2010023968502)

Yong Chen aka Michael Chen (CRD #4518986, Registered Representative, Sunnyvale, California) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for two months. The fine must be paid either immediately upon Chen's reassociation with a FINRA member firm following his suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the findings, Chen consented to the described sanctions and to the entry of findings that while associated with his member firm, he operated a solely owned corporation, through which he engaged in outside business activities relating to financial aid planning, application services and tax, career and college admission planning services, and received compensation totaling approximately \$44,000. Chen never provided the firm with either prior or prompt written notice of his outside business activities concerning the corporation. The findings stated that Chen sold a fixed indexed annuity through an insurance company to a non-firm customer totaling approximately \$25,800, without providing prompt written notice to the firm. Chen received a commission of approximately \$2,322 from this sale. The findings also stated that the firm prohibited its representatives from receiving compensation as a result of any business activity outside of the firm unless the registered representative had provided prior written notice and received written approval from the firm's Compliance Department.

The suspension is in effect from March 19, 2012, through May 18, 2012. (FINRA Case #2011026004601)

Lowell Andrew Chick (CRD #2778163, Registered Representative, Williamsville, New York) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Chick consented to the described sanction and to the entry of findings that he converted approximately \$227,350 from customers while associated with two member firms. The findings stated that in resolution of criminal charges related to the misappropriation of funds, Chick pled guilty in the New York State Supreme Court to two counts of fourth degree grand larceny, a felony. Chick's criminal misconduct occurred while he was registered with FINRA and was related to his conversion of customer monies. The findings also stated that Chick failed to fully respond to FINRA requests for information and documents. (FINRA Case #2010024576401)

Russell Kent Childs (CRD #1192883, Registered Principal, Spring, Texas) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$15,000 and suspended from association with any FINRA member in any capacity for one year. Without admitting or denying the findings, Childs consented to the described sanctions and to the entry of findings that he failed to conduct adequate due diligence of a private placement an issuer offered. The findings stated that Childs failed to have reasonable grounds to believe that the private placement the issuer offered pursuant to Regulation D was suitable for any customer. The findings also stated that Childs did not have a reasonable basis for believing that his recommendation of an offering to his customers was suitable in light of the fact that he was aware of the delinquencies and defaults of the issuer's earlier affiliated offerings. The findings also included that unlike the issuer's earlier offerings, there were serious red flags as to the viability of the offering. The issuer was having trouble making both principal and interest payments to its investors in earlier affiliated offerings. Without adequate due diligence, Childs could not identify and understand the inherent risks of the present offering. After Childs became aware of the negative information concerning delinquencies and defaults in the earlier affiliated offerings, he should have been alerted to the fact that the offering was also susceptible to delinquencies or default, and was therefore unsuitable for his customers.

The suspension is in effect from April 16, 2012, through April 15, 2013. (FINRA Case #2010022296201)

Timothy David Cochrane (CRD #4290092, Registered Principal, Eureka, California) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Cochrane consented to the described sanction and to the entry of findings that he received \$150,000 from a customer after he made the false representation to the customer that he would use the funds to purchase a variable annuity for the customer; contrary to this representation, he deposited the funds into a bank account under his control and converted the funds to his own use, which included payment of personal expenses, and he never purchased the variable annuity. The findings stated that Cochrane received \$450,000 from another customer after he made the false representation to the customer that he would use the funds to invest in a money market fund for the customer. Contrary to this representation. Cochrane deposited the funds into a bank account under his control and converted the funds to his own use, which included payment of personal expenses, and he never invested in a money market fund for the customer. The findings also stated that Cochrane prepared a customer planning document for the customer purporting to show a \$452,757.25 balance in a money market fund. The document was materially false because Cochrane never opened a money market fund for the customer. Cochrane's falsification of the planning document constituted a failure in the conduct of his business to observe high standards of commercial honor and just and equitable principles of trade. (FINRA Case #2011026817301)

Philip Christopher Crescimanno (CRD #4412658, Registered Representative, Land O' Lakes, Florida) submitted an Offer of Settlement in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the allegations, Crescimanno consented to the described sanction and to the entry of findings that he operated an outside business without providing prompt written notice to his member firm and failed to obtain the firm's approval. The findings stated that by failing to report that he was an officer of his company and was involved in its operation, Crescimanno failed to comply with firm policies and procedures. The findings also stated that Crescimanno failed to provide on-the-record testimony, materially impeding FINRA's investigation. (FINRA Case #2010021164401)

Dante Joseph DiFrancesco (CRD #2482531, Registered Representative, Croton-on-Hudson, New York) was fined \$10,000 and suspended from association with any FINRA member in any capacity for 10 business days. The SEC affirmed the sanctions following appeal of a NAC decision. The sanctions were based on findings that DiFrancesco downloaded confidential non-public information concerning customers from his former member firm and sent that information to another member firm with whom he was to become associated. The findings stated that once DiFrancesco became associated with the new firm, he immediately began using the downloaded information to send letters to his clients introducing them to the new firm. DiFrancesco's conduct prevented his former firm from giving customers proper notice and an opportunity to opt out of the disclosures, as Regulation S-P required, and caused his new firm to improperly receive his former firm's customers' non-public personal information.

The suspension was in effect from March 19, 2012, through March 30, 2012. (FINRA Case #2007009848801)

Matthew W. East (CRD #5381351, Registered Representative, Des Plaines, Illinois) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, East consented to the described sanction and to the entry of findings that he altered or falsified life insurance conversion applications by covering over information with correction fluid, inserting false information and submitting the forms to an insurance brokerage for processing. In one of the conversion applications, he taped a customer's signature he had cut out of another form. The findings stated that at least two of the altered life insurance policy applications East submitted were not authorized by the customers. The findings also stated that East added a renter's policy rider to a customer's automobile insurance policy without the customer's authorization and later converted the renter's policy rider to a standalone renter's policy without the customer's authorization. The findings also included that the insurance brokerage discovered East's misconduct during an internal investigation conducted after the customer with the unauthorized renter's policy complained to the firm. As a result of the investigation, the insurance brokerage cancelled or suspended the unauthorized renter's policy and the life insurance

conversion applications supported by falsified forms. East was terminated by the insurance brokerage and his firm as a result of the misconduct discovered through the internal investigation. FINRA found that East provided false and misleading information and testimony to FINRA. East first repeatedly denied that he had cut a customer's signature from one form and taped it to another form, but later admitted that he had taped the signature to the form and submitted it to the insurance brokerage for processing. (FINRA Case #2010022477401)

Shlomo Steven Eplboim (CRD #2417002, Registered Representative, Tarzana, California) submitted an Offer of Settlement in which he was suspended from association with any FINRA member in any capacity for 10 business days. In light of Eplboim's financial status, no monetary sanctions were imposed. Without admitting or denying the allegations, Eplboim consented to the described sanction and to the entry of findings that he effected corporate bond transactions in which his member firm charged excessive markup and markdowns, and he knew, or should have known, that the prices charged to his customers were not fair and reasonable.

The suspension was in effect from April 2, 2012, through April 16, 2012. (FINRA Case #2008011759202)

Jeffrey Richard Epstein (CRD #819226, Registered Principal, Bryn Mawr, Pennsylvania) submitted a Letter of Acceptance, Waiver and Consent in which he was suspended from association with any FINRA member in any capacity for 10 business days. In light of Epstein's financial status, no monetary sanctions have been imposed. Without admitting or denying the findings, Epstein consented to the described sanction and to the entry of findings that he exercised discretion in a customer's account without the customer's written authorization or his member firm's acceptance of the account as discretionary. The findings stated that Epstein's firm prohibited discretionary trading in these types of customer accounts.

The suspension was in effect from April 16, 2012, through April 27, 2012. (FINRA Case #2010023272301)

Jason Eric Feldman (CRD #2784671, Registered Principal, Scottsdale, Arizona) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for three months. The fine must be paid either immediately upon Feldman's reassociation with a FINRA member firm following his suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the findings, Feldman consented to the described sanctions and to the entry of findings that he borrowed \$8,500 from a firm customer contrary to both the requirements of NASD Rule 2370 and the firm's written procedures, without providing prior written notice to, or obtaining prior written approval from, his firm. The findings stated that Feldman completed a firm annual compliance questionnaire on which he falsely answered "no" to the question regarding accepting a loan from a client.

The suspension is in effect from May 7, 2012, through August 6, 2012. (FINRA Case #2010025061601)

Paul Andrew Fischetti (CRD #2300161, Registered Supervisor, Palm Harbor, Florida) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for six months. The fine must be paid either immediately upon Fischetti's reassociation with a FINRA member firm following his suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the findings, Fischetti consented to the described sanctions and to the entry of findings that he failed to timely respond to FINRA requests for information.

The suspension is in effect from April 2, 2012, through October 1, 2012. (FINRA Case #2010023912802)

Randolph Andrew Fisher Jr. (CRD #2795365, Registered Representative, Flemington, New Jersey) submitted an Offer of Settlement in which he was fined \$15,000, ordered to pay \$47,258.90, plus interest, in restitution to customers and suspended from association with any FINRA member in any capacity for six months. The fine and restitution must be paid either immediately upon Fisher's reassociation with a FINRA member firm following his suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the allegations, Fisher consented to the described sanctions and to the entry of findings that he sold installment plan contracts offered by a non-profit corporation to elderly customers that misrepresented itself to the public as an approved 501(c)(3) charitable organization without first providing prompt written notice to, and obtaining written approval from, his member firm. The findings stated that Fisher earned approximately \$37,489.75 in commissions in connection with his sales, having a combined total value of approximately \$800,000. Fisher sold the installment plan contracts without first conducting adequate due diligence about the product he was selling and consequently failed to uncover the existence of a state-issued cease and desist order against the purported charitable organization and to determine the manner in which it would invest customer funds. The findings also stated that Fisher negligently misrepresented to his customers that they were entitled to receive a tax deduction or benefit, and failed to tell certain customers the non-profit's application for tax-exempt status had not been approved. The misrepresentations and omissions were material, as the tax-exempt status and the resulting tax benefits would be considered significant by a reasonable investor considering the non-profit's product. The findings also included that Fisher solicited the sales by providing advertisements and sales literature to customers that failed to present a fair and balanced view of the product and/or were oversimplified and misleading. Fisher did not present the advertisement and sales literature materials to a firm registered principal for review and approval prior to showing them to customers in connection with his sales of the installment plan contracts.

The suspension is in effect from March 19, 2012, through September 18, 2012. (FINRA Case #2009019041802)

Joseph Dale Frost Sr. (CRD #1003962, Registered Principal, St. Louis, Missouri) submitted an Offer of Settlement in which he was fined \$10,000 and suspended from association with any FINRA member in any capacity for 12 months. The fine must be paid either immediately upon Frost's reassociation with a FINRA member firm following his suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the allegations, Frost consented to the described sanctions and to the entry of findings that he was charged and pleaded guilty to a felony charge that was reportable for his Form U4. The findings stated that Frost provided some information about the criminal charge, but it was incomplete and did not indicate the nature of the charge. The findings also stated that despite repeated requests from FINRA, Frost failed to disclose his guilty plea to the felony on his Form U4 in a timely manner. The findings also included that Frost's failure to disclose this material information on his Form U4 in a timely manner was not willful.

The suspension is in effect from April 2, 2012, through April 1, 2013. (FINRA Case #2008016437801)

Emma Jean Gonzalez (CRD #4389751, Registered Principal, San Jose, California) submitted a Letter of Acceptance, Waiver and Consent in which she was fined \$5,000 and suspended from association with any FINRA member in any capacity for six months. The fine must be paid either immediately upon Gonzalez' reassociation with a FINRA member firm following her suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the findings, Gonzalez consented to the described sanctions and to the entry of findings that she willfully failed to update her Form U4 in order to reflect a Class A criminal misdemeanor for theft of government property, which her member firm discovered later.

The suspension is in effect from April 2, 2012, through October 1, 2012. (FINRA Case #2011029153701)

Kenneth Wayne Graves (CRD #5560662, Registered Principal, Corpus Christi, Texas) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$15,000 and suspended from association with any FINRA member in any capacity for six months. The fine must be paid either immediately upon Graves' reassociation with a FINRA member firm following his suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the findings, Graves consented to the described sanctions and to the entry of findings that he purchased money orders with his personal funds and submitted the money orders in payment of premiums for existing insurance customers. The findings stated that in each instance, Graves made the money order payable to the relevant insurance company and signed the customer's name on the money order without the customer's prior knowledge, authorization or consent. Although each of the customers completed and signed applications to purchase the life insurance policies on which the premium payments

were made, the customers were unaware that Graves was making premium payments on their behalf. The amounts of the money orders Graves purchased, forged and submitted in payment of customer premiums ranged from \$2.50 to \$209.41, for a combined total of \$883.22. The findings also stated that Graves' actions were tied to his efforts to accumulate or maintain production credit and/or meet production benchmarks in order to retain employment and/or receive greater commission payments.

The suspension is in effect from April 2, 2012, through October 1, 2012. (FINRA Case #2010024608001)

Carolyn Avia Harmon (CRD #4126542, Associated Person, Lenoir, North Carolina) was barred from association with any FINRA member in any capacity. The sanction was based on findings that Harmon processed account openings, closings and transfers as a branch office administrator at her member firm. The findings stated that Harmon opened separate accounts in her name and a relative's name, without the relative's knowledge or consent, and deposited customer funds, which should have been deposited into the customers' accounts, into the account in her relative's name. Harmon subsequently transferred most of these funds into her own account and used them for personal purposes. Harmon also deposited customer checks into another firm account she held jointly with her relative. The findings also stated that the firm discovered that checks had not been deposited into customer accounts as they should have been and traced the deposits to the account in Harmon's relative's name. The findings also included that when questioned about the deposits. Harmon initially said the checks had been deposited improperly as the result of administrative error; she also, and inconsistently claimed that they may have represented compensation to her relative for work he had done for those customers. Upon further questioning, Harmon confessed that she had diverted the funds to assist a relative. Harmon misappropriated more than \$63,000 from several of her associated firm's customers. FINRA found that Harmon failed to respond to FINRA requests for information. (FINRA Case #2009021041501)

Azlina B. Harun (CRD #4676563, Registered Representative, Auburn, California) was barred from association with any FINRA member in any capacity. The sanction was based on findings that Harun failed to respond in a timely manner to FINRA's requests for information and failed to respond in any manner to FINRA requests for information. (FINRA Case #2009019874402)

Harrison A. Hatzis (CRD #2640978, Registered Principal, Hallandale, Florida) was fined \$30,000 and suspended from association with any FINRA member in any capacity for two years. The NAC imposed the sanctions following appeal of an Office of Hearing Officers (OHO) decision. The sanctions were based on findings that Hatzis provided incomplete and inaccurate information concerning his firm's application for FINRA membership and misled FINRA. The findings stated that Hatzis was responsible for the firm's filing of incomplete and inaccurate membership information and the resultant misleading of

FINRA. The firm failed to accurately, completely and timely disclose the source and nature of its initial funding and ownership. When the firm applied for FINRA membership, the firm incorrectly stated that Hatzis funded the firm, and it failed to disclose an individual's monetary contribution. The firm's membership application and Application for Broker-Dealer Registration (Form BD) also inaccurately indicated that Hatzis solely owned the firm, when in fact an entity was the firm's sole, direct owner. The findings also stated that the firm ultimately disclosed another individual's financing of the firm and clarified the entity's ownership role, but it did so only after providing a series of confusing and misleading responses to several FINRA requests for information. The findings also included that the firm misled FINRA concerning a \$250,000 payment under an Investment Agreement and sought to shield the Investment Agreement from regulatory review. By the date the firm applied for FINRA membership, Hatzis and representatives of another firm had negotiated the principal terms of the Investment Agreement, reduced them to writing and later executed the Investment Agreement. The firm never disclosed to, or discussed with, FINRA the terms of these final or proposed contracts.

FINRA found that the firm's obligation to forego \$285,000 in net commissions otherwise due from another firm alone affected a significant aspect of the firm's financing and revenues, and raised considerable questions concerning the firm's ability to maintain adequate net capital. Nonetheless, the firm never disclosed these key terms to FINRA. FINRA specifically requested that the firm provide a detailed description of the \$250,000 payment from the other firm, and rather than divulge the Investment Agreement to FINRA, the firm falsely stated that the \$250,000 represented service fees pursuant to a service agreement and, to support this claim, provided a back-dated Service Agreement, which deceptively omitted any reference to a loan and otherwise whitewashed the firm's obligation to repay it by foregoing commissions. FINRA also found that Hatzis should have, but did not, amend the firm's membership application to ensure it was complete and contained accurate information.

The decision has been appealed to the SEC and the sanctions are not in effect pending the appeal. (FINRA Case #2006005178801)

Mark David Hill (CRD #1056054, Registered Principal, Marietta, Georgia) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$15,000 and suspended from association with any FINRA member in any principal capacity for 60 days. Without admitting or denying the findings, Hill consented to the described sanctions and to the entry of findings that he permitted his member firm to conduct securities business, utilizing the means and instrumentalities of interstate commerce, while net capital deficient. The findings stated that on one occasion, Hill was advised of a net capital deficiency by the firm's FINOP but allowed the firm to continue to conduct securities business. On other occasions, while he was the firm's FINOP, FINRA staff advised Hill of adjustments to the firm's net capital that resulted in a net capital deficiency, but Hill allowed the firm to continue to conduct securities business. The findings also stated that

while Hill was his firm's FINOP, the firm failed to file timely Securities Exchange Act Rule 17a-11(b) notices of net capital deficiency. On two occasions, FINRA staff filed the notice on the firm's behalf because the firm failed to properly report net capital deficiencies.

The suspension is in effect from April 16, 2012, through June 14, 2012. (FINRA Case #2011027280601)

Michael Shibley Horaney (CRD #1988929, Registered Representative, Henderson, Nevada) submitted an Offer of Settlement in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for six months. The fine must be paid either immediately upon Horaney's reassociation with a FINRA member firm following his suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the allegations, Horaney consented to the described sanctions and to the entry of findings that in connection with a FINRA investigation, he failed to timely respond to FINRA requests for information and documents.

The suspension is in effect from March 19, 2012, through September 18, 2012. (FINRA Case #2010021343002)

Russell Steven Jackson (CRD #4707311, Registered Representative, Coachella, California) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000, suspended from association with any FINRA member in any capacity for six months and required to register for eight hours of ethics training in a program acceptable to FINRA, complete the ethics training within three months of reassociation with a FINRA member and provide evidence to FINRA that he has completed such training within 10 days of completion of the program. The fine must be paid either immediately upon Jackson's reassociation with a FINRA member firm following his suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the findings, Jackson consented to the described sanctions and to the entry of findings that he improperly completed 19 online courses and tests for another individual associated with his member firm. The findings stated that Jackson completed LTC insurance CE courses, Firm Element courses, firm wealth management advisor program designation courses and the associated final exam for the course, firm employee policy courses and a product CE course.

The suspension is in effect from March 19, 2012, through October 18, 2012. (FINRA Case #2011029272101)

Michael William Jarmolowich (CRD #4288310, Registered Representative, Summit, New Jersey) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for three months. In light of Jarmolowich's financial status, a fine of \$5,000 has been imposed. Without admitting or denying the findings, Jarmolowich consented to the described sanctions and

to the entry of findings that he engaged in outside business activities without providing prior written notice to his member firm. The findings stated that Jarmolowich completed outside business acknowledgement forms at the firm on which he responded "no" to questions asking if he had any outside business affiliations. The findings also stated that Jarmolowich borrowed \$100,000 from a customer, which took the form of a contribution to Jarmolowich's ownership interest in one of his outside business activities. In connection with this loan, Jarmolowich signed a note, which stated that he promised to pay an entity the customer controlled \$100,000 plus interest as provided for in the note. Additionally, Jarmolowich executed a Pledge and Security Agreement in connection with the loan that stated that he had requested the entity to make a loan to him as evidenced by the note. The entity maintained a brokerage account at the firm. The findings also included that the firm's WSPs did not permit loans from customers without prior written notice to, and prior written approval of, the lending arrangement by the firm. Jarmolowich did not request or obtain pre-approval (either verbally or in writing) for the loan or otherwise inform the firm of it.

The suspension is in effect from April 16, 2012, through July 15, 2012. (FINRA Case #2009019507101)

Ryan August Leopold (CRD #4891295, Registered Representative, New Orleans, Louisiana) was fined \$25,000 and suspended from association with any FINRA member in any capacity for one year. The NAC imposed the sanctions following appeal of an OHO decision. The sanctions were based on findings that Leopold used the template of a hotel invoice to create invoices for meetings that did not occur and submitted those invoices to his member firm for reimbursement. The findings stated that in connection with the fabricated invoices, Leopold generated fictitious verification letters from registered representatives of broker-dealers purportedly thanking him for conducting the seminars. Leopold forged their signatures to some of the letters and left some unsigned. Leopold did not have authorization from the representatives to sign the letters on their behalf. The findings also stated that some of the fabricated invoices were for meetings that actually had occurred, but for which Leopold did not maintain receipts. Leopold approximated the amounts on these invoices and submitted them to his firm. The findings also included that Leopold had exceeded the \$50,000 expense limit the firm provided so that the invoices and verification letters did not result in the firm making payments to Leopold. Rather, he did this to reduce his tax liability. FINRA found that the total amount of the false hotel invoices was \$7,760. 38, resulting in a tax liability deduction of approximately \$720.

The suspension is in effect from April 16, 2012 through April 16, 2013. (FINRA Case #2007011489301)

Roland Craig Matatics (CRD #4402097, Registered Representative, Keene, New Hampshire) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the

findings, Matatics consented to the described sanction and to the entry of findings that he obtained \$10,000 from an elderly customer suffering from dementia and used the money to pay a relative's college tuition by filling in a blank check from the customer's personal bank account for \$10,000, payable to the college, and had the customer sign it. Matatics submitted the check to the college to pay the tuition. The findings stated that the customer did not have the cognitive function to consent to this payment and could not have given his authorization or consent to give Matatics the subject funds. (FINRA Case #2011029682501)

Rudolf Lucian Molnar (CRD #3211892, Registered Representative, Windermere, Florida) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for one month. Without admitting or denying the findings, Molnar consented to the described sanctions and to the entry of findings that he impersonated customers in order to expedite the transfer of their accounts from his former broker-dealer to his new one. The findings stated that in each instance, Molnar placed a telephone call to his former broker-dealer, identified himself as the customer, and proceeded to impersonate the customer, sometimes using the customer's personal information. The findings also stated that the customers had authorized the transfer of their accounts, but did not authorize the impersonations.

The suspension is in effect from April 16, 2012, through May 15, 2012. (FINRA Case #2010022064201)

Ivan Serge Obolensky Jr. (CRD #2166596, Registered Representative, Glendale, California) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Obolensky consented to the described sanction and to the entry of findings that he refused to provide testimony FINRA requested regarding his potentially unsuitable recommendations to a customer. The findings stated that FINRA received a letter of reply from Obolensky, in which he stated that he would not provide the requested testimony and acknowledged his understanding that his failure to appear would result in disciplinary action. (FINRA Case #2010023319501)

Salvatore Eugene Ottomanelli (CRD #4554060, Registered Representative, Mount Sinai, New York) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for 15 business days. Without admitting or denying the findings, Ottomanelli consented to the described sanctions and to the entry of findings that he improperly came into possession of non-public personal information for customers of various FINRA member firms. The findings stated that Ottomanelli obtained monthly account statements, new account documents, lead cards and other securities account information for several hundred customers of firms where he was not employed and where he did not service the customers' accounts. The documents Ottomanelli obtained included customers' names, addresses, account numbers, social security numbers, securities positions, transaction

information and account values. The findings also stated that after Ottomanelli acquired the non-public personal information, he used it as lead sources to develop new business. Ottomanelli also shared the information with other registered representatives at the firms where he was employed. The findings also included that Ottomanelli obtained and used customers' non-public personal information without determining whether he was acting in compliance with SEC Regulation S-P. Ottomanelli failed to determine whether any of the customers whose non-public personal information he obtained and used had been given an opportunity by the firms where those customers maintained accounts to opt out of disclosure of their non-public personal information.

The suspension was in effect from April 2, 2012, through April 23, 2012. (FINRA Case #2011027974901)

Todd Burton Parriott (CRD #4663935, Registered Principal, Henderson, Nevada) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for 20 business days. The fine must be paid either immediately upon Parriott's reassociation with a FINRA member firm following his suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the findings, Parriott consented to the described sanctions and to the entry of findings that he failed to timely amend his Form U4 to disclose that an entity over which he exercised control had been the subject of an involuntary bankruptcy petition.

The suspension was in effect from March 19, 2012, through April 16, 2012. (FINRA Case #2011029062601)

Jon Edward Piwowarczyk (CRD #723254, Registered Representative, South Dartmouth, Massachusetts) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Piwowarczyk consented to the described sanction and to the entry of findings that he borrowed \$400,000 from a firm customer to pay off personal financial obligations. The findings stated that Piwowarczyk did not disclose the loan to his member firm, contrary to his firm's WSPs prohibiting its employees and registered representatives from borrowing money from customers. The findings also stated that in a written agreement with the customer, Piwowarczyk acknowledged borrowing \$400,000 at a rate of 7 percent per year for a term of two years, agreed to repay the customer's interest costs in securing a margin loan of \$400,000, and arranged for the customer to pay the full amount of the loan to Piwowarczyk's relative with a check. The findings also included that Piwowarczyk has not made any payments on the loan to the customer. (FINRA Case #2011030288401)

John Joseph Plunkett (CRD #2321368, Registered Principal, Brooklyn, New York) was barred from association with any FINRA member in any capacity. The NAC imposed the sanction following a call for review of an OHO decision. The sanctions were based on findings

that Plunkett removed his former member firm's books and records without the firm's authorization, erased the firm's electronic files and computer servers, and failed to respond to FINRA's requests for information and documents.

The decision was appealed to the SEC. The bar is in effect pending review. (FINRA Case #2006005259801)

Sean Donald Premock (CRD #3175558, Registered Representative, Fort Lauderdale, Florida) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Premock consented to the described sanction and to the entry of findings that he facilitated private securities transactions away from his member firm. The findings stated that Premock was paid commissions from the sales totaling \$18,820 without providing written notice to, or obtaining approval from, his firm prior to facilitating any of the investments. The findings also stated that Premock made a series of material misrepresentations and omissions of fact in connection with the offering and selling of investment notes, including promising a monthly minimum rate of return, claiming that the investors' principal was safe and would be repaid in its entirety after a period ranging from nine to 12 months, and representing that investor funds would be pooled and invested in a fund for the purpose of executing a unique trading strategy that would protect investor principal by employing a hedging strategy using reversible convertible notes (RCNs). While Premock opened trading accounts in the name of the fund and conducted securities, futures and options trading with the fund's investor money, investors were not paid a monthly rate of return, certain investors did not receive their principal at maturity, Premock did not purchase RCNs, and he used some of the investment funds for his personal benefit. The findings also included that Premock prepared and issued monthly and quarterly fund statements that showed inflated account values. The statements uniformly showed steady account appreciation based on the accrual of fictitious monthly interest and cash bonuses.

FINRA found that Premock received a total of \$32,000 from investors for investments in the fund and deposited these funds in the business checking account of a non-fund entity. None of the \$32,000 from investors was transferred to any account belonging to the fund. Instead, Premock made several cash withdrawals, purchased several personal items, transferred funds to one family member, and transferred funds to his personal trading account. FINRA also found that Premock received \$20,000 from an investor for an investment in the fund and deposited this money in the fund's checking account. Premock transferred \$59,382.50 from one of the fund trading accounts to the fund's checking account. That same day, a \$79,422.45 transfer was made from the fund's checking account to Premock's business partner. The fund account balance was \$39.95 and was closed soon thereafter. The investors were unaware of these uses of their money and did not authorize or consent to such uses. In addition, FINRA determined that Premock failed to fully respond to FINRA requests for information and documents. Premock stated that he was unwilling to provide a response to all of the requested items and that he intended not to comply any further. (FINRA Case #2010024048601)

Melanie Anne Radcliff (CRD #4099144, Registered Representative, Fort Smith, Arkansas) submitted a Letter of Acceptance, Waiver and Consent in which she was suspended from association with any FINRA member in any capacity for 10 business days. In light of Radcliff's financial status, no monetary sanctions have been imposed. Without admitting or denying the findings, Radcliff consented to the described sanction and to the entry of findings that she exercised discretion in trades in customer accounts without either the customers' or her member firm's written authorization. The firm does not permit its registered representatives to use discretion in any manner in customer accounts.

The suspension was in effect from April 16, 2012, through April 27, 2012. (FINRA Case #2010023589701)

Kris Bradford Rhoden (CRD #4360898, Registered Representative, Corpus Christi, Texas) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Rhoden consented to the described sanction and to the entry of findings that while registered with his member firm, he entered into a written contract with a company to sell note agreements without providing notice to his firm or receiving permission from his firm, and he lacked the proper license, a Series 7, to sell these securities. The findings stated that Rhoden distributed the company's sales literature and sold more than \$2 million worth of the company's products, receiving commissions totaling \$230,698.17. Rhoden recommended and sold the company's products to more customers, but the transactions were not finalized due to delays; the State of Texas placed an injunction against the company before those sales could be completed so Rhoden never received commissions from the delayed transactions. The findings also stated that Rhoden represented that the company's products were safe and the notes guaranteed a high return within five years; however, he conducted insufficient due diligence and lacked sufficient factual basis to make these claims or to provide his clients with a sound basis for evaluating the facts. Rhoden had never sold a promissory note purportedly funded by life settlements, yet, he recommended the company's note agreements to his customers as a safe and suitable investment. The findings also included that while recommending the company's investments to his customers, Rhoden provided them with the company's sales literature, which contained several unwarranted and misleading statements, failed to disclose any risks involved in the investments and guaranteed the products would succeed. The statements helped form the basis of Rhoden's recommendations to his customers, even though he did not verify the company's claims prior to recommending and selling the note agreements to his customers. Rhoden should have known that these statements were misleading. (FINRA Case #2010023612305)

Rafael Ramon Sanchez (CRD #1257900, Registered Supervisor, Altadena, California) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Sanchez consented to the described sanction and to the entry of findings that

he independently opened accounts in elderly customers' names at a FINRA-regulated broker-dealer and created user IDs, passwords and security answers for the customers without their knowledge, permission or consent. The findings stated that Sanchez provided the firm his personal email address as contact information and controlled the customer accounts. The customers had not heard of the firm and did not authorize the opening of the accounts or the transfer of their funds to the firm. The findings also stated that Sanchez made automated clearing house (ACH) withdrawals from one account totaling \$140,000 to the firm account, which the firm, after conducting an inquiry, returned to the customer's account. Sanchez attempted to wire \$75,105 from another customer's account to the account he opened in the customer's name but it was rejected. Sanchez tried a second time but it was also rejected. The firm froze a third individual's account after it discovered that Sanchez' email address was affiliated with the account. The findings also included that Sanchez opened a second account in the customer's name, using the customer's email address rather than his own. The firm received an \$82,000 check from the customer's credit union account for deposit in the customer's account; Sanchez had written the check, the customer signed it and after an inquiry, it was wired back to the customer's credit union account.

FINRA found that letters of authorization (LOAs) were issued on customers' behalf authorizing wires totaling \$58,000 from their investment advisor (IA) accounts to an escrow account; the wires represented loans by the customers, but the customers had no recollection of agreeing to lend money to the fund, the signature of one individual was not the customer's signature, and neither received promissory notes or other documents evidencing the loans from Sanchez. FINRA also found that the individuals received their money back, plus interest, from the IA. In addition, FINRA determined that an elderly customer signed an LOA for wiring \$30,000 from her IA account, although she did not authorize the loan or receive a promissory note or any other documents evidencing the loan; her funds have not been repaid. Moreover, FINRA found that Sanchez founded a company to manage clients' monthly finances, pay their bills and maintain customer financial records for a fee; elderly customers paid for these services but had checks bounce, although prior to Sanchez paying their bills, they had never bounced checks. Furthermore, FINRA found that Sanchez removed 30 years of financial information from one individual's home to put on a CD, but destroyed the documents and has not provided a CD to the customer. The findings also stated that Sanchez failed to disclose material information on his Forms U4. The findings also included that Sanchez failed to provide prompt written notice to his firm of his outside business activities, contrary to firm requirements, until a firm compliance employee advised him of the requirement. (FINRA Case #2010025176001)

Anthony Leon Semadeni (CRD #2601121, Registered Principal, Colorado Springs, Colorado) was barred from association with any FINRA member in any capacity and ordered to pay \$62,000, plus interest, in restitution to customers. The sanctions were based on findings that Semadeni borrowed \$85,000 total from customers, executed promissory notes, but failed to repay the customers in full. One customer liquidated a variable annuity

to loan Semadeni \$20,000, but he failed to tell the customer she would incur a \$2,125 early withdrawal penalty. The findings stated that Semadeni's member firm prohibited employees from accepting loans from firm customers except under certain conditions, which he did not meet. The findings also stated that Semadeni made misrepresentations to his firm in annual compliance certifications that he had not borrowed money from customers. The findings also included that Semadeni failed to respond to FINRA requests for information. (FINRA Case #2010021983501)

Eric Lowell Small (CRD #2140208, Registered Principal, Cleveland, Ohio) submitted a Letter of Acceptance, Waiver and Consent in which he was suspended from association with any FINRA member in any capacity for 15 business days and, thereafter, suspended from association with any FINRA member in any principal capacity for one month. In light of Small's financial status, no monetary sanctions were imposed. Without admitting or denying the findings, Small consented to the described sanctions and to the entry of findings that he caused his member firm to effect transactions while it failed to maintain its minimum required net capital, thereby causing the firm to maintain inaccurate books and records. The findings stated that the firm, acting through Small, failed to prepare an accurate general ledger and trial balance on the dates it failed to maintain the minimum required net capital. The findings also stated that the firm, acting through Small, failed to prepare and file accurate Financial and Operational Combined Uniform Single (FOCUS) reports for two calendar quarters. The findings also included that Small failed to timely amend his Form U4 with material information.

The suspension in any capacity was in effect from March 19, 2012, through April 9, 2012. The suspension in any principal capacity was in effect from April 10, 2012, through May 9, 2012. (FINRA Case #2009016340901)

Joyce Lynn Stewart (CRD #5706543, Registered Representative, Lenexa, Kansas) submitted a Letter of Acceptance, Waiver and Consent in which she was fined \$5,000 and suspended from association with any FINRA member in any capacity for three months. The fine must be paid either immediately upon Stewart's reassociation with a FINRA member firm following her suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the findings, Stewart consented to the described sanctions and to the entry of findings that she falsified customer signatures on broker reassignment forms without her member firm's knowledge. Stewart signed customers' names to broker reassignment forms without the customers' knowledge or approval, and signed one customer's name to the forms with the customer's consent. The findings stated that the firm's WSPs specifically prohibited registered representatives from falsifying and/or forging customers' signatures on documents.

The suspension is in effect from April 2, 2012, through July 1, 2012. (FINRA Case #2011029800301)

Krystal Kay Taylor (CRD #5519277, Registered Representative, Phoenix, Arizona) was barred from association with any FINRA member in any category. The sanction was based on findings that Taylor submitted whole life insurance applications to her member firm's insurance affiliate on the lives of fictitious individuals; the initial premium payments were made by money orders Taylor purchased. The findings stated that Taylor received compensation for both of the fictitious insurance policies. The findings also stated that Taylor failed to appear for a FINRA on-the-record interview. (FINRA Case #2010025100601)

Jeremy Michael Thiele (CRD #5466328, Registered Representative, Benton Harbor, Michigan) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Thiele consented to the described sanction and to the entry of findings that he intentionally used a credit card issued to a bank customer without the customer's knowledge or consent. The findings stated that Thiele used the customer's credit card for his personal use, charging a total of \$656.02 to the credit card. When the customer reported the unauthorized charges, Thiele paid the balance of the charges due on the card. (FINRA Case #2011029962001)

Hansel Clayton Toppin (CRD #4188845, Registered Representative, Washington, DC) was barred from association with any FINRA member in any capacity. The sanction was based on findings that Toppin failed to respond to FINRA requests for documents and information regarding cheating during continuing education classes. (FINRA Case #2011028819101)

Jamey Sean Tuggle (CRD #5251458, Registered Representative, Atlanta, Georgia) submitted a Letter of Acceptance, Waiver and Consent in which he was suspended from association with any FINRA member in any capacity for 30 business days. In light of Tuggle's financial status, no monetary sanctions have been imposed. Without admitting or denying the findings, Tuggle consented to the described sanction and to the entry of findings that he effected discretionary transactions for almost two years in customers' accounts without the customers' prior written authorization and without his member firm's acceptance of the accounts as discretionary.

The suspension is in effect from April 16, 2012, through May 25, 2012. (FINRA Case #2010024697201)

Michael Jason Van Buskirk (CRD #4926745, Registered Representative, Woodland Hills, California) submitted a Letter of Acceptance, Waiver and Consent in which he was fined \$13,179, which includes disgorgement of commissions received of \$3,179, and suspended from association with any FINRA member in any capacity for six months. The fine must be paid either immediately upon Van Buskirk's reassociation with a FINRA member firm following his suspension, or prior to the filing of any application or request for relief from any statutory disqualification, whichever is earlier. Without admitting or denying the findings, Van Buskirk consented to the described sanctions and to the entry of findings that he referred investors to a business entity that sold life settlements, with the expectation

and actual receipt of commissions based on investments by the investors, without providing prior written notice to, and receiving approval from, his member firm for these transactions. The findings stated that Van Buskirk participated in the solicitation and sale of life settlements to investors who invested a total of \$127,149 in the life settlements, for which he received commissions totaling \$3,178.82. The findings also stated that Van Buskirk lacked a reasonable basis to recommend the purchase of bonded life settlements to his customers, given his failure to perform a reasonable investigation and appropriate due diligence on the product, or to take sufficient steps to ascertain whether such an investigation had been conducted. He failed to identify, or make himself aware of, the identity of the business entity's principals, failed to conduct independent checks on the principals' backgrounds, took representations of others at face value without undertaking adequate independent steps to verify them, and failed to obtain adequate information regarding business entity's financial status. Van Buskirk also made no effort to ascertain or understand the subscription documents the referred investors were required to execute, the rights and obligations of the parties as set forth in the subscription documents, or the risks and rewards an investment in bonded life settlements would present to the referred investors. The findings also included that Van Buskirk engaged in outside business activities and did not disclose to his firm his business association and relationship as a broker with entities that employed and compensated him, and for which he devoted a significant percentage of his professional efforts. Van Buskirk did not disclose to his firm the compensation he received from these entities for executing commodities and futures orders on customers' behalf.

The suspension is in effect from March 19, 2012, through September 18, 2012. (FINRA Case #2010022407002)

Michael Douglas Venable (CRD #1782517, Registered Representative, Tyler, Texas) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Venable consented to the described sanction and to the entry of findings that he recommended a highly speculative and volatile exchange-traded fund (ETF) to unsophisticated customers with conservative investment objectives and risk profiles. Half of the accounts traded the ETF on margin, thereby increasing the leverage and risk. The findings stated that based upon the customers' age, investment objective, risk profiles, investment experience, assets and income, the investments in the ETF were unsuitable. The findings also stated that Venable exercised improper discretion relating to numerous trades in customer accounts without the customers' written authorization to effect the trades, and Venable's firm had not approved his use of discretion in the accounts. The findings also included that Venable excessively traded in one customer account; the account would have had to appreciate 140 percent to cover the commissions charged to the account. FINRA found that Venable failed to mark trade order tickets as "discretion exercised," so they did not reflect that he exercised discretion in the customers' accounts; Venable marked order tickets as unsolicited when, for the majority of the transactions, he effected solicited transactions and failed to mark the order tickets accurately to reflect that designation, thereby causing his firm to create and maintain inaccurate books and records. (FINRA Case #2010021688101)

Arnett Lanse Waters (CRD #1198848, Registered Principal, Milton, Massachusetts) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Waters consented to the described sanction and to the entry of findings that he refused to provide testimony FINRA requested in connection with its examination of his involvement in certain private offerings of securities. (FINRA Case #2012030519302)

Janet Lee Waters (CRD #4956211, Registered Principal, Milton, Massachusetts) submitted a Letter of Acceptance, Waiver and Consent in which she was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Waters consented to the described sanction and to the entry of findings that she failed to respond to a FINRA request for information that she provide tax and bank records in connection with FINRA's examination of private offerings of securities. (FINRA Case #2012030519301)

Richard Lewis Wright III (CRD #5762734, Registered Representative, Columbus, Georgia) submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Wright consented to the described sanction and to the entry of findings that while employed with his member firm's affiliated bank, he converted bank funds totaling \$980 by processing bank fee refunds on accounts where no refund was due, and then crediting those refund amounts to an equity line of credit for another bank customer, who was a personal friend. (FINRA Case #2011027252201)

Complaints Filed

FINRA issued the following complaints. Issuance of a disciplinary complaint represents FINRA's initiation of a formal proceeding in which findings as to the allegations in the complaint have not been made and does not represent a decision as to any of the allegations contained in the complaint. Because these complaints are unadjudicated, you may wish to contact the respondents before drawing any conclusions regarding these allegations in the complaint.

KJM Securities, Inc. (CRD #20277, Bronxville, New York) was named as a respondent in a FINRA complaint alleging that it charged excessive markups and markdowns on municipal bond transactions that, taking into consideration all relevant circumstances, were not fair and reasonable. The complaint alleges that the firm, acting through its FINOP, failed to comply with Section 15(c) of the Securities Exchange Act of 1934, and Rule 15c3-1 promulgated thereunder, in that it used the instrumentalities of interstate commerce to conduct a securities business while failing to maintain its required minimum net capital.

The firm had debts and obligations from credit cards, a mortgage and a home equity line of credit, and failed to include those amounts in its net capital calculations. The complaint also alleges that the firm failed to record, understated, overstated and/or misclassified a number of other items in its net capital calculations, including its failure to record an outstanding balance owed to its clearing firm. The complaint further alleges that the firm failed to establish and maintain a supervisory system and establish, maintain and enforce WSPs reasonably designed to achieve compliance with the requirements of FINRA rules and the federal securities laws concerning the process of determining appropriate markups and markdowns for transactions involving municipal bonds; net capital compliance, including the responsibility of the firm's FINOP; and the firm's financial records and reporting obligations. In addition, the complaint alleges that the firm, acting through its CCO, failed to develop and implement a reasonably designed Anti-Money Laundering Compliance Program (AMLCP), including compliance with the Bank Secrecy Act, by failing to enforce its procedures requiring the firm to review all Section 314(a) requests that it received from the Financial Crimes Enforcement Network (FinCEN); the firm, acting through its CCO, failed to conduct an adequate independent test of its AMLCP for two years. The firm's tests for both years were, at best, cursory in nature, and the firm failed to provide for independent testing. The testing failed to identify any AMLCP deficiencies or any other deficiencies or areas for improvement or follow-up. The independent test reports were deficient in that the reports falsely indicated that the firm had responded to all information requests from FinCEN. Moreover, the complaint alleges that the firm, acting through its CCO, permitted individuals to be registered as General Securities Representatives through the firm without conducting any securities business. The individuals did not conduct any securities business at the firm, had no specific responsibilities, did not conduct any work requiring registration, and did not receive any compensation or other payments from the firm. Furthermore, the complaint alleges that the firm filed a FOCUS Report that was materially inaccurate in that it reported that the firm's annual income from transactions involving municipal bonds was \$0, when in fact, the firm had earned approximately \$75,069.05 from such transactions one year. The complaint also alleges that the firm transacted a securities business but failed to make and keep current a general ledger and trial balance. (FINRA Case #2010020842401)

Michael A. Lamboy (CRD #5058677, Registered Representative, Brooklyn, New York) was named as a respondent in a FINRA complaint alleging that as a dual employee of a member firm and a bank, he converted approximately \$1,860 from bank customers by withdrawing funds from their bank accounts for his personal benefit, without their knowledge or authorization. The complaint alleges that Lamboy withdrew these funds by filling out withdrawal slips or, in at least one customer's account, issuing and using an automated teller machine (ATM) card with a personal identification number he created. The complaint also alleges that Lamboy failed to appear for FINRA-requested testimony. (FINRA Case #2011026468501)

William Scott Paladini (CRD #4561071, Registered Representative, New York, New York) was named as a respondent in a FINRA complaint alleging that he knowingly possessed or used material, non-public information in connection with his purchase of securities, which also violated his member firm policies. The complaint alleges that Paladini acted with scienter by trading on the material, non-public information when he knew, or was reckless in not knowing, that he was doing so in breach of a duty to keep the information confidential and not to trade on it. The complaint also alleges that Paladini violated his firm's insider trading policies and procedures by purchasing a security's shares. Paladini engaged in conduct that was inconsistent with high standards of commercial honor and just and equitable principles of trade. (FINRA Case #2010022547001)

William Bruce Smith (CRD #1335193, Registered Principal, Uxbridge, Massachusetts) was named as a respondent in a FINRA complaint alleging that he misappropriated \$100,000 from a customer at his member firm by advising her to withdraw \$100,000 from her brokerage account at his firm and to turn the funds over to Smith, who was to purchase bank-issued certificates of deposits (CDs) for her with that money. At Smith's direction, the customer deposited the \$100,000 into her personal checking account, drew checks on the account totaling \$100,000, payable to different banks, and gave the checks to Smith for the purchase of the CDs. The complaint alleges that Smith did not purchase CDs with the funds but converted the funds to his own use and benefit by negotiating the checks, depositing the funds into the checking account of a company he owned and controlled, and using the funds for his own benefit. The complaint also alleges that Smith made oral and written statements to the customer about the purported CDs, knowing that those statements were materially false and misleading. After taking the customer's money for his own use, Smith misled her by saying that he had purchased the CDs for her, that her investments were doing fine, and that he had shopped for the best interest rate each time the CDs matured and then reinvested the proceeds. Smith regularly provided the customer with written asset reviews that purported to identify her CD holdings and provided the customer with a personal information summary that purported to identify her CD holdings, including Bank CDs worth \$100,000. When Smith provided those documents to the customer, he knew, or should have known, that they were materially false and misleading. The complaint further alleges that Smith sent a \$25,000 cashier's check to the customer along with a letter purporting to discuss the payment arrangement for a loan that she purportedly made to Smith. This letter was a ruse, falsely representing the \$100,000 investment as a loan. The customer never agreed to loan money to Smith. The customer has neither deposited the cashier's check nor returned the letter agreement to Smith. (FINRA Case #2011029152401)

Firms Expelled for Failure to Pay Fines and/or Costs Pursuant to FINRA Rule 8320

AIS Financial, Inc. (CRD #41462)

Westlake Village, California (March 21, 2012) FINRA Case #2008012169101

Pyramid Financial Corp. (CRD #23181)

Cupertino, California (March 28, 2012) FINRA Case #2008011600501

Firm Suspended for Failure to Pay Arbitration Fees 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.)

GoNow Securities, Inc. (CRD #104020)

Los Angeles, California (March 7, 2012) FINRA Arbitration Case #10-02853

Firm Suspended for Failing to Pay Arbitration Awards Pursuant to FINRA Rule 9554

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

GoNow Securities, Inc. (CRD#104020)

Los Angeles, California (March 20, 2012) FINRA Arbitration Case #10-02853

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.)

Kevin Shawn Andrews (CRD #1992069)

Norristown, Pennsylvania (March 5, 2012) FINRA Case #2011027391901

John Michael Bayer (CRD #2990440)

Wheaton, Illinois (March 26, 2012) FINRA Case #2011027757301

Richard Scott Bradley (CRD #2461987)

Canton, Ohio (March 16, 2012) FINRA Case #2010024229701

Julio C. Ceballos (CRD #5816285)

Bronx, New York (March 19, 2012) FINRA Case #2011026634101

Karl Edward Hahn (CRD #2487638)

Portsmouth, New Hampshire (March 16, 2012) FINRA Case #2010023825301

Stephen Battle Hales Jr. (CRD #2772790)

Nottingham, Maryland (March 26, 2012) FINRA Case #2011027952901

Kelly Jo Herman (CRD #3251183)

Sioux Falls, South Dakota (March 16, 2012) FINRA Case #2010024155901

Lucia Hernandez (CRD #4627513)

Perth Amboy, New Jersey (March 8, 2012) FINRA Case #2011029109101

Jeffery Maurice Herring (CRD #5254337)

Norfolk, Virginia (March 16, 2012)

FINRA Case #2010023710201

Eric Scott Housman (CRD #1111661)

Tulsa, Oklahoma (March 22, 2012) FINRA Case #2011029252901

Lucile Tomlinson Lansing (CRD #341225)

Atlanta, Georgia (March 19, 2012)

FINRA Case #2011026280501

Keith Kirkpatrick Lemley (CRD #1520929)

Fort Myers, Florida (March 26, 2012)

FINRA Case #2011027970001

Francis Montalvo (CRD #4784312)

Bronx. New York (March 19, 2012) FINRA Case #2011026546601

Marthe Blondye Ngo Banag (CRD # 5623648)

Snellville, Georgia (March 26, 2012)

FINRA Case #2011027827201

Jose Luis Pagan (CRD #4563287)

Belleville, New Jersey (March 19, 2012) FINRA Case #2011029306501

Paul Gerard Pfeiffer (CRD #4842017)

Sun City Center, Florida (March 16, 2012)

FINRA Case #2011026896201

Larry Gene Rau (CRD #1557459)

Battle Lake, Minnesota (March 16, 2012) FINRA Case #2010024155901

James Rhodes Jr. (CRD #1692302)

Phoenix, Arizona (March 16, 2012)

FINRA Case #2010023950001

Patricia Claire Rodriguez (CRD #1947350)

Miami, Florida (March 22, 2012)

FINRA Case #2011028128801

Michael Terrence Schaeffer

(CRD #4289460)

Inver Grove Heights, Minnesota (March 16, 2012) FINRA Case #2010023443401

Amber L. Spotted Elk (CRD #5910795)

Berthoud, Colorado (March 19, 2012)

FINRA Case #2011029604401

Marc Jason Taubin (CRD #2465430)

Wilton, Connecticut (March 16, 2012) FINRA Case #2010021197501

Daniel Victor Tumminia (CRD #1132883)

Monroe Township, New Jersey (March 2, 2012) FINRA Case #2010022537501

Chad Michael Witter (CRD #5006665)

Eldridge, Iowa (March 5, 2012)

FINRA Case #2011026497001

Individuals Revoked for Failure to Pay Fines and/or Costs Pursuant to FINRA Rule 8320

(If the revocation has been rescinded, the date follows the revocation date.)

Beccah Leigh Boman (CRD #1413701)

Oro Valley, Arizona (March 8, 2012) FINRA Case #2009018794001

Charles Jesse Duff (CRD #4682320)

New York, New York (March 1, 2012) FINRA Case #2008011678301

Dane Raymond Henry (CRD #2446502)

Brooklyn, New York (March 1, 2012) FINRA Case #2009018021801

Dennis Stanley Kaminski (CRD #1013459)

Wellington, Florida (March 7, 2012) FINRA Case #EAF0400630001

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.)

Leonaida A. Ancheta-Torres (CRD #2468059)

Las Vegas, Nevada (March 8, 2012) FINRA Case #2011030473401

Jose L. Banuelos (CRD #5706315)

Salem, Oregon (March 8, 2012) FINRA Case #2011027466301

Sean Patrick Bess (CRD #2487423)

Springfield Gardens, New York (March 26, 2012) FINRA Case #2011029400301

James Alfred Bruffett (CRD #4630930)

Cottonwood, California (March 26, 2012) FINRA Case #2011030145601

Lance Ralph Butler (CRD #4169014)

Syracuse, Utah (March 1, 2012) FINRA Case #2011028973401

Mark Andrew Capristo (CRD #1913175)

West Des Moines, Iowa (March 8, 2012) FINRA Case #2011030451201

Jerry Eaton Clark Jr. (CRD #4575973)

Orlando, Florida (March 2, 2012) FINRA Case #2011026045001

Brian Martin Dunlevy (CRD #5339430)

Sunny Isles, Florida (March 8, 2012) FINRA Case #2011028251002

Jeffrey Scott Farmer (CRD #2984174)

Longwood, Florida (March 2, 2012) FINRA Case #2011026547301

James A. Farris (CRD #5305588)

Hattiesburg, Mississippi (March 8, 2012) FINRA Case #2011029189601

Timothy Franklin Gates (CRD #4713393)

Englewood, Colorado (March 8, 2012) FINRA Case #2010024609401

Anthony Thomas Giannattasio (CRD #5374896)

Thiells, New York (March 2, 2012)

FINRA Case #2011029769201

Cliff Scott Golob (CRD #2602411)

Wellington, Florida (March 8, 2012)

FINRA Case #2011029220001

Nigel Leonard Graham (CRD #2889111)

Bowie, Maryland (March 8, 2012)

FINRA Case #2011028819301

David William Hilton (CRD #5474301)

Cincinnati, Ohio (December 8, 2011- March 2, 2012) FINRA Case #2011028981601

Chad Michael Hodge (CRD #4768893)

Columbus, Ohio (March 26, 2012)

FINRA Case #2011029228201

Charles William Kopp III (CRD #2882188)

Broad Brook, Connecticut (March 8, 2012)

FINRA Case #2011029274201

Amy Lachelle Ledbetter (CRD #5986761)

Odessa, Texas (March 2, 2012)

FINRA Case #2011030014601

Charles Francis Lounsberry (CRD #5774254)

Windermere, Florida (March 8, 2012)

FINRA Case #2011028691901

Master S. Mays aka Jay Mays

(CRD #5223323)

Pompano Beach, Florida

(March 8, 2012)

FINRA Case #2011028251001

Joseph Kent Messerly (CRD #1510186)

Clark Lake, Michigan

(November 4, 2011- March 2, 2012) FINRA Case #2011026435101

Donald Kirk Nacey (CRD #5460336)

Kaysville, Utah (March 8, 2012)

FINRA Case #2011030102201

Maximo Pascual (CRD #5519274)

Woodhaven, New York (March 30, 2012)

FINRA Case #2011028323101

Sigifredo Pazos (CRD #2444913)

Hazlet, New Jersey (March 8, 2012)

FINRA Case #2011029386301

Howard Alexander Peyton (CRD #5610423)

College Park, Georgia (March 2, 2012)

FINRA Case #2011029147601

Brian Ivan Rios (CRD #5494046)

Aurora, Illinois (March 29, 2012)

FINRA Case #2011030242201

Brenda Lee Santana (CRD #3081856)

Jersey City, New Jersey (March 8, 2012)

FINRA Case #2011028271501

Jonathan James Scullin (CRD #4498724)

Franklin, Massachusetts (March 26, 2012) FINRA Case #2011030331401

Oleg Shapiro (CRD #5241651)

Brooklyn, New York (March 2, 2012) FINRA Case #2011029429301

Bradley Thomas Smegal (CRD #716056)

Seattle, Washington (March 23, 2012) FINRA Case #2011030063801

Alexander Verdaguer (CRD #5450748)

North Bergen, New Jersey (March 26, 2012) FINRA Case #2011029453401

Pawyica Anna Adzo Woname (CRD #5906118)

Cleveland, Ohio (March 2, 2012) FINRA Case #2011029845701

Individuals Suspended for Failure to Comply with an Arbitration Award or Settlement Agreement Pursuant to FINRA Rule 9554

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

Darrel Ray Amiot (CRD #1958067)

Eden Prairie, Minnesota (March 13, 2012) FINRA Arbitration Case #11-00118

Patrick Joseph Broderick (CRD #1298744)

Bloomfield Hills, Michigan (March 7, 2012) FINRA Arbitration Case #10-05120

Alfred Guy Cali (CRD #1713120)

Huntington Station, New York (October 31, 2011 – March 1, 2012) FINRA Arbitration Case #09-00352

Scott Alan Dascani (CRD #2275151)

Naples, Florida (March 15, 2012) FINRA Arbitration Case #11-03148

Blaine Carter Davis (CRD #4805348)

Draper, Utah (March 7, 2012) FINRA Arbitration Case #11-00003

Jeffrey Scott Farmer (CRD #2984174)

Longwood, Florida (March 7, 2012) FINRA Arbitration Case #11-01080

Enrico Joseph Franco (CRD #212661)

Jackson, New Jersey (August 30, 2007 – March 12, 2012) FINRA Arbitration Case #06-02353

Christopher Ronald Guenther (CRD #3047778)

Macedonia, Ohio (March 27, 2012) FINRA Arbitration Case #11-03177

Douglas Edmond Inlay (CRD #4770488)

Sioux City, Iowa (March 7, 2012) FINRA Arbitration Case #10-03348

Fred Henery Johnson III (CRD #2317695)

Ft. Lauderdale, Florida (March 7, 2012) FINRA Arbitration Case #10-05542

Nick John Kerrigan (CRD #5152064)

Austin, Texas (March 7, 2012) FINRA Arbitration Case #11-02114

Lawrence Gary Kirshbaum (CRD #270856)

New York, New York (March 16, 2012) FINRA Arbitration Case #10-05029

Larry Scott Kurschner (CRD #2935896)

San Diego, California (March 29, 2012)

FINRA Arbitration Case #10-05473

Gregory Thomas Kwasnicki (CRD #2844089)

Red Bank, New Jersey (March 15, 2012) FINRA Arbitration Case #11-01668

Wing Kin Lim aka Kent Lam (CRD #4386496)

Brooklyn, New York (March 16, 2012) FINRA Arbitration Case #11-01177

Estaban E. Llavallol (CRD #2879044)

Buenos Aires, Argentina (March 19, 2012) FINRA Arbitration Case #11-01797

David Craig Neison (CRD #1607562)

Shelbyville, Tennessee (March 7, 2012) FINRA Arbitration Case #11-01854

James Blake Nunley (CRD #2803265

Plano, Texas (March 15, 2012) FINRA Arbitration Case #10-02566

Machiko Okamoto (CRD #3023530)

Holmdel, New Jersey (March 29, 2012) FINRA Arbitration Case #09-06874

Gerald Alfred O'Lear (CRD #1644746)

Lockport, New York (March 13, 2012) FINRA Arbitration Case #11-01808

James Michael Rapuano Jr. (CRD #4900969)

Branford, Connecticut (March 19, 2012) FINRA Arbitration Case #11-00773

Peter Remington Ryan (CRD #2518645)

Lake Elmo, Minnesota (March 19, 2012) FINRA Arbitration Case #11-02861

Tony D. Sanchez (CRD #4377543)

Henrietta, Georgia (March 16, 2012) FINRA Arbitration Case #10-04595

William Alfred Schwind (CRD #4492997)

Southlake, Texas (March 13, 2012) FINRA Arbitration Case #11-01640

Mark Weber Sidell (CRD #1236702)

Boca Raton, Florida (March 15, 2012) FINRA Arbitration Case #09-02852

David Song (CRD #2966872)

Whitestone, New York (March 15, 2012) FINRA Arbitration Case #10-05557