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March 23, 2017

Via Electronic Mail

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: In the Matter of the Association of Sandra M. Logay (CRD # 311825) with Mid Atlantic Capital Corporation (CRD # 10674)

Dear Mr. Fields:

Effective March 23, 2017, and pursuant to Rule 19h-1(a)(3)(iv)(A)&(B) of the Securities Exchange Act of 1934 (“SEA” or “Exchange Act”), the Financial Industry Regulatory Authority (“FINRA”) hereby gives notification to the United States Securities and Exchange Commission (“the SEC” or “the Commission”) of the association of Sandra M. Logay (“Logay”) as a General Securities Representative with Mid Atlantic Capital Corporation (“Mid Atlantic” or “the Firm”). The Firm filed a Membership Continuance Application (“MC-400” or “Application”) with FINRA on November 22, 2016.¹

Logay’s Disqualifying Event

Logay is subject to a statutory disqualification as a result of an SEC Initial Decision dated January 28, 2000 (“SEC Decision”).² The SEC found that Logay, while employed as a branch manager at Prudential Securities, Inc. (“PSI”), failed reasonably to supervise

¹ See MC-400 Application and related attachments filed by Mid Atlantic on November 22, 2016 (attached as Exhibit 1).

² See Initial Decision of an SEC Administrative Law Judge, In the Matter of Sandra Logay, dated January 28, 2000 (attached as Exhibit 2).

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Daniel Zessinger (“Zessinger”), a registered representative of PSI, who willfully violated the federal securities laws by engaging in a scheme to defraud investors via churning, unauthorized trading, recommending unsuitable investments and making misrepresentations and omissions of material fact. Logay was responsible for supervising Zessinger, however, the SEC found that she was grossly negligent in that supervisory role because she ignored and failed to adequately follow up on customer complaints; relied on Zessinger’s unverified assurances regarding customer complaints; failed to rely on PSI’s internal compliance procedures in handling the customer complaints and in so doing, allowed Zessinger to continue to defraud his clients.

As a result of her misconduct, Logay was permanently barred from associating in a supervisory or proprietary capacity with any broker, dealer, or municipal securities dealer.

Background Information of Sandra Logay

Prior SEC Rule 19h-1 and 19d-1 Notices

No prior 19h-1 Notices or Notifications have been filed on behalf of Logay.³

Proposed Association, Responsibilities and Compensation

Mid Atlantic proposes to employ Logay as a General Securities Representative; her title will be Director of Operations. The Firm has represented that Logay will act in an administrative capacity only and “will not act in a supervisory capacity.”⁴ Her duties will

³In 2009, FINRA amended its By-Laws to full incorporate the definition of statutory disqualification in the Exchange Act and to include findings that persons who willfully violate federal securities laws are subject to a statutory disqualification as articulated in Section 3(a)(39)(F) of the Exchange Act (“2009 Amendment”). *See* FINRA Regulatory Notice 09-19 (April 2009). Thus, although, Logay has been subject to disqualification since 2000, her prior employer, North Star Investment Services, Inc. (“North Star”), was not required to file a MC-400 Application, with FINRA, before 2009. Separately, in 2009 when FINRA amended its rules it made no requirement that disqualified individuals like Logay file an MC-400 Application. Rather, it allowed these individuals to remain associated with their then employing firm until such time as those individuals “trigger” the need for an application. An individual would trigger the need for an application if they changed employers or the member firm makes an application for the registration of such person as a principal pursuant to FINRA rules. It is Logay’s change in employment, to be associated with Mid Atlantic that has necessitated the need for this Application. *See* FINRA Regulatory Notice 09-19.

⁴ *See* Exhibit 1, MC-400 Application, at Bates p. 133.

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include opening accounts and administrative servicing of customer accounts.⁵ She may also enter orders received from a registered investment advisor and unsolicited customer orders but she will not be permitted to solicit customer transactions.⁶

Logay will work at a branch office of the Firm, located at 20 N. Wacker Drive, #1416, Chicago, Illinois and will be compensated as a salaried employee.⁷

Employment and Registration History

Employment History

Logay has been associated with the following firms during the following periods:⁸

<u>Employer</u>	<u>Period of Employment</u>
Mid Atlantic	October 2016 to present
North Star Investment Services, Inc.	May 2004 to October 2016
Source Capital Group, Inc.	December 2001 to April 2004
Merit Capital Associates, Inc.	April 1999 to December 2001
FFP Securities, Inc.	January 1996 to January 1999
Stifel, Nicolaus & Company, Inc.	July 1994 to January 1995
Prudential Securities Inc.	August 1989 to June 1994
Thomas McKinnon Securities, Inc.	August 1965 to August 1989

Registration History

In March 1969, Logay became registered as a General Securities Representative (Series 1 n/k/a the Series 7).⁹ She later received the Puts and Calls designation (PC) in September 1977. She passed the Uniform Securities Agent State Law Examination (Series 63) in November 1979; and became registered as a General Securities Sales Supervisor (Series

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ See CRD Snapshot for Sandra Logay at pp. 8 - 10 (attached as Exhibit 3).

⁹ *Id.* at pp. 10-11.

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8) in February 1988; a National Commodities Futures Representative (Series 3) in November 1988; and passed the Uniform Investment Adviser Law Examination (Series 65) in December 1993.¹⁰

Logay's Regulatory History

Logay has been named in four customer complaints.¹¹ The complaints were filed between 1992 and 1998, with the claimants alleging that Logay failed to supervise. Of the four complaints, three were settled in arbitration for a total of \$153,188 and one complaint was withdrawn.¹²

Late Disclose Filings - Bankruptcy and Lien Filings

The Internal Revenue Service filed a tax lien against Logay in August 2008 and she filed Chapter 13 bankruptcy in November 2011. Logay did not amend her Form U4 to disclose of these events until July 2014.¹³

Terminations

Logay was terminated from PSI in July 1994. The cause for termination was cited as "loss of confidence as a result of U.S. attorney's and SEC investigations."¹⁴

Outside Business Activities

Logay lists one outside business activities ("OBAs"). Since October 2016, she has worked as the Director of Operations for North Star Investment Corporation, a registered investment adviser, to which she devotes 160 hours per month and 130 hours per month during market hours.¹⁵

¹⁰ *Id.*

¹¹ *See* Exhibit 3 at pp. 14 – 22, 26 – 29, and 31 - 33.

¹² \$78,188 of the \$153,888 was joint and several against PSI and Logay.

¹³ *See* Exhibit 3 at pp. 30 – 31 and 33-34.

¹⁴ *Id.* at p. 5.

¹⁵ *See* Exhibit 3 at p. 10 and email from Jeanine C. Devine ("Devine"), of Mid Atlantic, to Lorraine Lee-Stepney ("Lee-Stepney") of FINRA, dated February 10, 2017 (attached as Exhibit 4).

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Background Information of Mid Atlantic

Mid Atlantic is based in Pittsburgh, Pennsylvania and has been a member of NASD n/k/a FINRA since August 1982.¹⁶ In its Application, the Firm represents that it has two branch offices and two Offices of Supervisory Jurisdiction (“OSJ”). The Firm employs approximately 207 registered representatives and 22 principals.¹⁷

Proposed Supervisors

Primary Supervisor - Sheldon Goodman (CRD # 225329)

The Firm proposes that Logay will be supervised onsite by Sheldon Goodman (“Goodman”), a General Securities Principal.¹⁸ Goodman has been associated with Mid Atlantic since November 2016.¹⁹

Goodman qualified as a General Securities Representative (Series 1 n/k/a Series 7) in March 1968 and as a General Securities Principal (Series 24) in June 1980.²⁰ He passed the Uniform Securities Agent State Law Exam (Series 63) in March 1992 and the Uniform Investment Adviser Law Examination (Series 65) in December 2004. He is also registered as an Operations Professional (Series 99).

Goodman has been associated with the following firms during the following periods:²¹

<u>Employer</u> ²²	<u>Period of Employment</u>
Mid Atlantic	November 2016 to Present
North Star Investment Services, Inc.	January 2004 to January 2017

¹⁶ See CRD Excerpt: Organization Registration Status for Mid Atlantic (attached as Exhibit 5).

¹⁷ See Exhibit 1 at Bates p. 135.

¹⁸ See email from Jeanine C. Devine (“Devine”), of Mid Atlantic, to Lorraine Lee-Stepney (“Lee-Stepney”) of FINRA, dated March 20, 2017 (attached as Exhibit 6).

¹⁹ See CRD Snapshot for Sheldon Goodman at p. 11 (attached as Exhibit 7).

²⁰ *Id.* at p. 14.

²¹ *Id.*

²² See Exhibit 7 at pp. 11-13.

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Wachovia Securities, LLC	August 2000 to December 2003
First Albany Corporation	December 1997 to August 2000
Principal Financial Securities, Inc.	February 1993 to December 1997
Dain Bosworth Inc.	April 1991 to February 1993
Gruntal & Co., Inc.	May 1989 to April 1991
Bear, Stearns & Co., Inc. ²³	September 1970 to May 1989

Outside Business Activities²⁴

Goodman is engaged in the following OBAs: 1) since January 2005, he has been a registered investment advisor with North Star Investment Corporation, to which he devotes 160 hours per month and 130 hours per month during market hours; 2) since July 1992 he has been a passive partner with Bonhomme Freres, a non-investment related entity to which he devotes 0 hours per month and 0 hours per month during market hours; and 3) since April 2006, he has acted as an advisor with Copley Financial Services Corporation, to which he devotes 5 hours per month and 5 hours per month during market hours.

Member Regulation is unaware of any regulatory actions or customer complaints brought against Goodman.

Alternate Supervisor – Andrew Eisenberg (CRD # 6525244)

In the event that Goodman is out of the office, Logay will be supervised by Andrew Eisenberg (“Eisenberg”), who is also a General Securities Principal.²⁵ Eisenberg will also work in the same office as Logay and he has been associated with Mid Atlantic since October 2016.²⁶

Eisenberg passed the General Securities Representative Examination (Series 7) in August 2015 and he qualified as a General Securities Principal (Series 24) in January 2016.²⁷

²³ See CRD Excerpt: Legacy Employment History for Goodman (attached as Exhibit 8).

²⁴ See Exhibit 7 at p. 14.

²⁵ See Exhibit 5.

²⁶ See CRD Snapshot for Andrew Eisenberg at p. 6 (attached as Exhibit 9).

²⁷ *Id.* at p. 7.

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Eisenberg has been associated with the following firms during the following periods:²⁸

<u>Employer</u>	<u>Period of Employment</u>
Mid Atlantic Capital Corporation	October 2016 to present
North Star Investment Services	June 2015 to November 2016

Outside Business Activities & Regulatory History

Eisenberg is engaged in the following OBAs: 1) since June 2015, he has been general counsel for North Star Investment Corporation, a registered investment adviser, to which he devotes 160 hours per month and 130 hours per month during market hours; 2) since 1998, he has provided legal consulting to friends and family, to which he devotes 0 hours; and 3) since November 2016, he acted as Secretary and Chief Compliance Officer of North Star Investment Services.²⁹

Member Regulation is unaware of any regulatory actions or customer complaints brought against Eisenberg.

Basis for FINRA's Filing of the 19h-1 Notification

SEA Rule 19h-1(a)(3)(iv)(A)&(B) reads, in part:

A notice need not be filed with the Commission pursuant to this rule if. . .

- A. The disqualification previously – (A) was a basis for the institution of an administrative proceeding pursuant to a provision of the federal securities laws, and (B) was considered by the Commission in determining a sanction against such person in the proceeding; and the Commission concluded in such proceeding that it would not restrict or limit the future securities activities of such person in the capacity now proposed or, if it imposed any such restrictions or limitations for a specified time period, such time period has elapsed[.]

²⁸ *Id.* at pp. 6 - 7.

²⁹ North Star Investment Services, Inc. filed a BDW on January 6, 2017. *See* CRD Excerpt: Organization Registration Status for North Star Investment Services (attached as Exhibit 10).

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It is appropriate for FINRA to file this notification pursuant to SEA Rule 19h-1(a)(3)(iv)(A)&(B), because this Application meets all applicable conditions of this rule. As noted, Logay's disqualification was previously the basis for the institution of an administrative proceeding pursuant to federal securities laws, and the proceeding barred her from associating in a supervisory or proprietary capacity with any broker, dealer, or municipal securities dealer.³⁰

FINRA knows of no other conduct or other circumstances that would cause Logay's association with Mid Atlantic as a General Securities Representative to be inconsistent with the public interest or the protection of investors. FINRA therefore believes that this form of notification to the Commission is appropriate. Despite the presence of Logay's customer complaints, FINRA is in support of approving her association with Mid-Atlantic due to the fact that the customer complaints have all been disposed of and the Firm has proposed a suitable supervisory structure for Logay.³¹

Mid Atlantic is also a member of Nasdaq and that self-regulatory organization has concurred with FINRA's determination to approve Logay's association with the Firm.

Sincerely,

Lorraine Lee-Stepney

Lorraine Lee-Stepney

Enclosures

cc: Jeanine Colditz Devine (Via Electronic Mail)
Vice President/Operations Principal
Mid Atlantic Capital Corporation

Natasha Greiner (Via Electronic Mail)
Office of Chief Counsel
U.S. Securities and Exchange Commission
Division of Trading and Markets

³⁰ See Exhibit 2.

³¹ See Exhibit 1 at Bates p. 166.

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Robert C. Cushmac
Office of Chief Counsel
U.S. Securities and Exchange Commission
Division of Trading and Markets

(Via Electronic Mail)

Daniel M. Sibears
Executive Vice President
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Cathy Williams
Regulatory Analyst
Registration and Disclosure
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(Via Electronic Mail & w/out Exhibits)

Exhibits

1. MC-400 Application and related attachments filed by Mid Atlantic on November 22, 2016.
2. Initial Decision of an SEC Administrative Law Judge, In the Matter of Sandra Logay, dated January 28, 2000.
3. CRD Snapshot for Sandra Logay.
4. Email from Jeanine C. Devine (“Devine”), of Mid Atlantic, to Lorraine Lee-Stepney (“Lee-Stepney”) of FINRA, dated February 10, 2017.
5. CRD Excerpt: Organization Registration Status for Mid Atlantic.
6. Email from Jeanine C. Devine (“Devine”), of Mid Atlantic, to Lorraine Lee-Stepney (“Lee-Stepney”) of FINRA, dated March 20, 2017.
7. CRD Snapshot for Sheldon Goodman.
8. CRD Excerpt: Legacy Employment History for Goodman.
9. CRD Snapshot for Andrew Eisenberg.
10. CRD Excerpt: Organization Registration Status for North Star Investment Services.