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May 25, 2018

Via Electronic Scan

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 Francis D. Moise, Sr. (CRD No. 337679) with First Western Securities, Inc. (CRD No. 19537)

Dear Mr. Fields:

Effective May 25, 2018, and pursuant to the Securities Exchange Act of 1934 (“SEA” or “Exchange Act”) Rule 19h-1(a)(3)(iv)(A)&(B), the Financial Industry Regulatory Authority (“FINRA”) hereby provides notification to the United States Securities and Exchange Commission (“SEC” or “the Commission”) of the association of Francis Moise, Sr. (“Moise”) as a General Securities Representative (Series 7) with First Western Securities, Inc. (“First Western” or “the Firm”). In February 2018, the Firm submitted a Membership Continuance Application (“MC-400” or “the Application”) with FINRA’s Department of Registration and Disclosure seeking to permit Moise’s association with the Firm.¹

I. Moise’s Disqualifying Event

Moise is subject to a statutory disqualification, as that term is defined Section 3(a)(39), incorporating by reference Section 15(b)(4)(E) of the Exchange Act, based on a May 1, 1978 SEC Order (the, “1978 Order”) which found that he failed to supervise a registered representative.² At the time that the 1978 Order was issued, Moise was employed with Bache Halsey Stuart Shields Incorporated. Specifically, the 1978 Order found that Moise failed to reasonably supervise a registered representative who violated anti-fraud provisions

¹ See the MC-400 Application, as well as related documents, filed by First Western. on behalf of Francis Moise, Sr., dated February 18, 2018 (attached as Exhibit 1).

² See SEC Administrative Proc. File No. 3-5365, Release No. 14722, In the Matter of Bache Halsey Stuart Shields Incorporated, et al, dated May 1, 1978 (attached as Exhibit 2).

of the Securities Act of 1933 and the Exchange Act by churning and effecting unsuitable transactions in discretionary customer option accounts for eight months. The SEC barred Moise from associating in any principal or supervisory capacity, with any broker, dealer, investment company or municipal securities broker or dealer without prior written consent of the Commission.

II. Background Information

Moise's Proposed Association & Responsibilities

First Western proposes that Moise will work from his residential address, located at 6902 Old Preston Road, Dallas, Texas 75252.³ The Firm represents that Moise will be registered as a General Securities Representative with no supervisory or principal responsibilities.⁴ Further, the Firm states that it will employ Moise as an independent contractor and he will be compensated via commissions from trades and advisory fees.⁵

Employment and Registration History

Employment History

Moise has been associated with the following firms, during the following periods:⁶

<u>Firm</u>	<u>Period of Association</u>
First Western	January 2018 - Present
Prospera Financial Services, Inc. ⁷	April 1994 – January 2018
Prudential Securities, Inc.	March 1986 – April 1994
J. C Bradford & Co. ⁸	August 1980 – December 1981
Prudential –Bache Securities, Inc.	September 1977 – October 1978
Bache Halsey Stuart Inc.	August 1976 – September 1977
Bache & Co. Inc.	February 1976 – August 1976
Bache & Co., Inc.	March 1970 – February 1976

³ See Exhibit 1, p. 108, in response to item 6, and p. 123.

⁴ See Exhibit 1, p. 108, in response to item 4.

⁵ See Exhibit 1, p. 108, in response to item 5.

⁶ See Central Registration Depository (“CRD”) Snapshot for Francis Moise, Sr., pp. 3-5 (attached as Exhibit 3).

⁷ Moise's prior employers were not required to file MC-400 Applications on his behalf because he did not trigger the need for a statutory disqualification review, as outlined in *FINRA Regulatory Notice 09-19* (April 2009).

⁸ Moise's Legacy Employment History is detailed in CRD, starting with his association with J.C. Bradford & Co. See extract from CRD of Moise's Legacy Employment History (attached as Exhibit 4).

Registration History

Moise was first registered in the securities industry as a Registered Representative (Series 1) in May 1960. He has also qualified for the following registrations:⁹

Series 40	Registered Principal Examination (03/70)
Series 4	Registered Options Principal (09/77)
Series 7	General Securities Representative (04/86)
Series 63	Uniform Securities Agent State Law Examination (AG) (04/86)
Series 15	Foreign Currency Options Examination (08/86)
Series 3	National Commodities Futures Examination (09/86)
Series 65	Uniform Investment Adviser Law Examination (11/92)

Prior SEA Rule 19h-1 Notices and Notifications

There have been no prior SEA Rule 19h-1 Notices or Notifications filed on Moise's behalf.

Regulatory History

Customer Complaints and Arbitrations

Moise has been the subject of six customer complaints. The two most recent complaints were filed while Moise was employed by Prospera Financial Services, Inc. ("Prospera"). In 2014, a customer filed a complaint alleging that her investments were underperforming.¹⁰ The customer sought \$11,000 in damages. That complaint was denied based on a determination by Prospera that the customer's loss was primarily due to the 2008-2009 market downturn, and the customer did not pursue the matter any further. In 2005, a customer alleged unsuitability and mismanagement of her IRA accounts. The customer sought \$500,000 in damages.¹¹ The complaint resulted in arbitration, which settled for \$72,000, with Moise contributing the entire sum.

In 1993, there were two arbitrations claims filed against Moise, stemming from two separate customer complaints, while he was employed by Prudential Securities, Inc. The first claim alleged an unauthorized purchase of a limited partnership and sought \$59,000 in compensatory damages. The arbitration matter settled for \$76,346.¹² Moise did not

⁹ See Exhibit 3, pp. 8 - 9.

¹⁰ See Exhibit 3, pp. 30 - 32.

¹¹ See Exhibit 3, pp. 26-27.

¹² See Exhibit 3, pp. 15-17.

contribute towards the settlement. The other claim centered around allegations of fraud and unsuitability.¹³ The claimant sought \$300,000 in compensatory damages. The claim settled for \$250,000; Moise did not contribute to the settlement.

In 1990, an arbitration claim was filed against Moise and his then employing firm Prudential Securities, Inc.¹⁴ The claim alleged that Moise recommended unsuitable mutual fund transactions, and sought damages totaling \$126,000. After a hearing on the claims, Moise and Prudential Securities, Inc. were found jointly and severally liable and were ordered to pay the claimant \$123,875. Prudential Securities, Inc. was separately ordered to pay \$123,875, as punitive damages to the customer.

Terminations

In April 1994, Moise was discharged from Prudential Securities, Inc. for his failure to follow the firm's policy regarding outside correspondence and handling of customer complaints.¹⁵

Member Regulation is unaware of any additional regulatory actions or customer complaints filed against Moise.

III. Background Information of First Western

First Western is headquartered in Hurst, Texas.¹⁶ The Firm has been a NASD/FINRA member since July 1987.¹⁷ The Firm is not a member of any other self-regulatory organization.

The Firm has one Office of Supervisory Jurisdiction ("OSJ") and 10 branch offices. The Firm employs 14 registered representatives, 3 registered principals and 7 associated persons as employees.¹⁸ The Firm does not employ any other statutorily disqualified individuals.

¹³ See Exhibit 3, pp. 18-21.

¹³ See Exhibit 3, pp. 18-21.

¹⁴ See Exhibit 3, pp. 22-26.

¹⁵ See Exhibit 3, pp. 21- 22.

¹⁶See Exhibit 1, p. 106.

¹⁷ See Exhibit 1, p. 110.

¹⁸ *Id.*

Proposed Supervisors

Moise's Primary Supervisor – Dan E. Klein (CRD No. 2229441)

Moise will be supervised by Dan E. Klein (“Klein”), a General Securities Principal.¹⁹ Klein works from the Firm’s home office in Hurst, Texas.

Klein was first registered in the securities industry as a General Securities Representative (Series 7) in June 1992.²⁰ He has also qualified for the following registrations:

Series 63	Uniform Securities Agent State Law Examination (06/92)
Series 24	General Securities Principal (06/13)
Series 99	Operations Professional (04/14) ²¹

Klein has been associated with the following firms, during the following periods:²²

<u>Firm</u>	<u>Period of Association</u>
First Western	04/95 – Present
Rauscher Pierce Refsnes, Inc.	03/92 – 03/95

Member Regulation is unaware of any regulatory actions against Klein.

Moise's Alternate Supervisor – Randal E. Ferguson (CRD No. 859884)

In Klein’s absence, Randal E. Ferguson (“Ferguson”) will act as Moise’s alternate supervisor.

Ferguson is the Firm’s President and Chief Compliance Officer²³ and has been employed with the Firm since March 1987.²⁴ He currently supervises 13 additional registered representatives.²⁵

¹⁹ See email from Randal Ferguson, of First Western, to Lorraine Lee, of FINRA, dated May 16, 2018, wherein Ferguson designates Klein as Moise’s primary supervisor (attached as Exhibit 5).

²⁰ See CRD Snapshot for Dan E. Klein, p. 6 (attached as Exhibit 6).

²¹ See CRD Extract, Registrations with Current Employers for Klein (attached as Exhibit 7).

²² See Exhibit 6, p. 5.

²³ *Id.*

²⁴ See CRD Snapshot for Randal Ferguson, p. 3 (attached as Exhibit 8).

²⁵ See Exhibit 1, p. 110, in response to item 2 from Section Three.

Ferguson was first registered in the securities industry as a General Securities Representative (Series 7) in November 1978.²⁶ He has also qualified for the following registrations:

Series 63	Uniform Securities Agent State Law Examination (11/79)
Series 24	General Securities Principal (06/87)
Series 53	Municipal Securities Principal (09/87)
Series 4	Registered Options Principal (09/87)
Series 66	Uniform Combined State Law Examination (01/03)
Series 99	Operations Professional (10/11) ²⁷

Ferguson has been associated with the following firms, during the following periods:

<u>Firm</u>	<u>Period of Association</u>
First Western	03/87 – Present
Smith Barney Harris Upham ²⁸	08/83 – 03/87
Merrill Lynch, Pierce, Fenner & Smith, Inc.	10/79 – 08/83

Customer Complaints

Ferguson has been the subject of one customer complaint. In 2014, a customer filed a complaint, alleging unsuitability and sought \$800,000 in damages.²⁹ The complaint was settled for \$200,000.

Member Regulation is unaware of any regulatory actions or additional customer complaints filed against Ferguson.

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 . . .

²⁶ See Exhibit 8, p. 6.

²⁷ See CRD Extract, Registrations with Current Employers for Ferguson (attached as Exhibit 9).

²⁸ Ferguson's Legacy Employment History is detailed in CRD, starting with his association with Smith Barney, Harris Upham & Co., Inc. See extract from CRD of Ferguson's Legacy Employment History (attached as Exhibit 10).

²⁹ See Exhibit 8, pp. 8-10.

- 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[.]

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. Moise's disqualification was previously the basis for the institution of an administrative proceeding pursuant to the federal securities laws, and he was not restricted from associating in the capacity now being proposed by First Western. First Western represents that Moise will not be working in the prohibited capacity (i.e., he will not work as a supervisor or principal).³⁰ Further, the Firm has agreed to Moise meeting with his primary supervisory, Klein, in person, on a quarterly basis for a period of at least 3 years from the date of the Commission's approval of his association with the Firm.³¹

FINRA knows of no other conduct or other circumstances that would cause Moise's association with the Firm, 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.

First Western is not a member of any other self-regulatory organization.

Sincerely,

Lorraine Lee-Stepney

Lorraine Lee-Stepney
Manager, Statutory Disqualification Program

Enclosures

³⁰ See Exhibit 1, p. 108, in response to item 4.

³¹ See Exhibit 5.

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Associate Principal Analyst
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(Via Electronic Mail)

List of Exhibits

1. The MC-400 Application, as well as related documents, filed by First Western, on behalf of Francis Moise, Sr., dated February 18, 2018.
2. SEC Administrative Proc. File No. 3-5365, Release No. 14722, In the Matter of Bache Halsey Stuart Shields Incorporated, et al, dated May 1, 1978.
3. Central Registration Depository (“CRD”) Snapshot for Francis Moise, Sr.
4. Francis Moise, Sr.’s Legacy Employment History, from the records of CRD.
5. Email from Randal Ferguson, of First Western, to Lorraine Lee, of FINRA, dated May 16, 2018, wherein Ferguson designates Klein as Moise’s primary supervisor.
6. CRD Snapshot for Dan E. Klein.
7. Registrations with Current Employers for Dan E. Klein, from the records of CRD.
8. CRD Snapshot for Randal Ferguson.
9. Registrations with Current Employers for Randal Ferguson, from the records of CRD.
10. Randal Ferguson’s Legacy Employment History, from the records of CRD.