

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

KENNY AKINDEMOWO
(CRD No. 4315718),

Respondent.

Disciplinary Proceeding
No. 2011029619301

Hearing Officer – SNB

HEARING PANEL DECISION

January 23, 2014

Respondent converted investor funds, in violation of FINRA Rule 2010. He did so by making fraudulent misrepresentations in connection with the purported sale of securities, in violation of FINRA Rules 2020 and 2010. Respondent is barred from associating in any capacity with any FINRA-registered firm for each of these violations. In light of the bars, no further sanctions are imposed for engaging in private securities transactions without providing written notice to his firm, in violation of NASD Rule 3040 and FINRA Rule 2010, and engaging in outside business activities without providing written notice to his firm, in violation of NASD Rule 3030 and FINRA Rules 3270 and 2010. Respondent is also ordered to pay costs.

Appearances

Thomas B. Lawson, Esq., and Jonathan Golomb, Esq., for the Department of Enforcement.

Kenny Akindemowo, *pro se*.

DECISION

I. Introduction

Kenny Akindemowo (“Respondent”) preyed on two women with whom he was socially acquainted, convincing them to invest in purported securities transactions that he did not disclose to his firm. Instead of investing the money as promised, he converted it to his own use.

Cause one of the Complaint alleges that Respondent converted \$15,000, which he used for personal expenses.¹ Cause two of the Complaint alleges that Respondent fraudulently misrepresented to two investors that their funds would be invested in securities. Cause three of the Complaint alleges that Respondent engaged in private securities transactions without written notice to his firm. Cause four of the Complaint alleges that Respondent engaged in outside business activities without providing written notification to his firm. Respondent filed an Answer on April 1, 2013, generally denying the allegations in the Complaint, and specifically claiming that the funds that he received from the women were personal loans.

After a two-day hearing, the Hearing Panel finds that Respondent committed the alleged violations.² The Hearing Panel finds that a bar is the appropriate sanction for the conversion and fraudulent misrepresentation charges. In light of the bars for these charges, the Panel imposes no further sanctions for causes three and four.

II. Findings of Fact

A. Background and Jurisdiction

Respondent entered the securities industry in 2000. He was registered with Pruco Securities, LLC (“Pruco”) from June 2010 until September 12, 2011, when he was allowed to resign while under investigation by Pruco for the misconduct alleged in the Complaint.³

As set forth in greater detail below, Respondent induced two women to invest a combined total of \$15,000 in purported securities transactions by making fraudulent representations. Instead of using the funds as promised, Respondent used them to pay his

¹ FINRA filed the Complaint on February 1, 2013. The Complaint followed a FINRA investigation triggered by a Uniform Termination Notice for Securities Industry Registration (“Form U5”) filing disclosing that Respondent had resigned from his firm while under investigation, CX-5; Tr. 167 (Doolittle).

² The hearing was held in Minneapolis, Minnesota on July 24, 2013, and closing arguments were heard telephonically on July 26, 2013.

³ CX-1, CX-5.

personal expenses.⁴ He also failed to provide written notice and obtain his firm's permission to solicit private securities transactions, and he failed to provide written notice to his firm about his outside business activities associated with the launch of an insurance agency.

B. Respondent Convinces AG to Give Him \$10,000 by Misrepresenting that the Funds Would be Invested for AG's Benefit

AG met Respondent in the summer of 2010 through an online dating service.⁵ At that time, her investment experience was limited to contributing to a 401(k) plan through her employer.⁶

After they became acquainted, Respondent convinced AG to give him \$10,000 to invest in a business called Apex Venture Capital Group ("Apex"). Respondent explained that Apex would pool AG's investment with other investor funds and lend the pooled funds to businesses. Respondent told AG that the investment paid a six percent return, and she would have an opportunity to make further investments or withdraw funds on a quarterly basis.⁷

Respondent told AG that she could invest in Apex through Goshen Wealth Management ("Goshen"), which Respondent referred to as his investment company.⁸ AG viewed Respondent's LinkedIn page, which indicated that he was the Owner and Chief Investment Officer at Goshen.⁹ Based on Respondent's representations and because she trusted him, AG gave Respondent \$10,000 for the Apex investment in December 2010. As Respondent

⁴ CX-16; Tr. 225-226 (Respondent).

⁵ Tr. 17 (AG).

⁶ Tr. 18 (AG).

⁷ Tr. 17-19, 24 (AG), Tr. 210- 212 (Respondent).

⁸ Tr. 18 (AG).

⁹ CX-6; Tr. 19-20 (AG).

instructed, AG obtained a cashier's check payable to Goshen which Respondent deposited into the Goshen bank account.¹⁰ Respondent then used the funds to pay for his personal expenses.¹¹

Over the next several months, AG repeatedly asked Respondent to provide her with documentation of the investment.¹² When they stopped dating in late 2010, Respondent asked AG if she wanted her investment back, without interest.¹³ AG told him that she wanted to wait until the end of the first quarter in 2011, so that she could receive the accrued interest.¹⁴ At that time, she still trusted that Respondent was acting in good faith, and that she would be able to get her money back, with interest.¹⁵

When Respondent failed to respond to her numerous requests for documentation in January and February 2011, AG became suspicious.¹⁶ In March 2011, she scheduled several meetings with Respondent to obtain the documentation, but Respondent cancelled them.¹⁷ Following that, AG hired a lawyer to retrieve her funds.¹⁸ On April 13, 2011, AG's lawyer wrote a complaint addressed to Respondent at Pruco, and also at Goshen.¹⁹ When Pruco received AG's complaint, Respondent's supervisors discussed it with him.²⁰ Respondent claimed that AG was a former girlfriend, there was no basis to her complaint, and the \$10,000

¹⁰ CX-9, CX-16; Tr. 25, 27 (AG), Tr. 187 (Respondent).

¹¹ CX-16, Tr. 187-188 (Respondent).

¹² CX-10; Tr. 27-30 (AG).

¹³ Tr. 36-37 (AG).

¹⁴ Tr. 27-30, 36, 46 (AG).

¹⁵ Tr. 47 (AG).

¹⁶ Tr. 28 (AG).

¹⁷ Tr. 29 (AG).

¹⁸ Tr. 30 (AG).

¹⁹ CX-11; Tr. 31 (AG).

²⁰ Tr. 66 (Nelson), 114 (Riebel).

was for the purchase of a home.²¹ In response to questions as to whether he was conducting outside business activities, Respondent claimed that Goshen was no longer active.²²

After Pruco completed its investigation of AG's complaint, it agreed to refund AG's investment, plus interest.²³ As noted above, Pruco permitted Respondent to resign in September 2011 while he was under investigation for this and another complaint.

C. Respondent Convinces RB to Give Him \$5,000 by Making Misrepresentations about a Purported Investment

RB was a server at a restaurant and had previously worked in the real estate industry.²⁴ RB first met Respondent when she was showing him a house. After that, they dated a few times.²⁵

In December 2010, when they were no longer dating, Respondent renewed contact with RB, telling her he might be selling his house. At that time, RB mentioned that she was receiving some money from her mother's estate and asked Respondent about investment options. Respondent told RB that she could invest in an investment pool with other investors that targeted high-risk ventures. Respondent said that her investment would have a guaranteed return of nine percent.²⁶ Respondent did not mention Apex, but he told RB that she could withdraw her investment 90 days after her request to do so.²⁷

²¹ Tr. 67 (Nelson), 114, 116 (Riebel).

²² Tr. 115 (Riebel).

²³ CX-12; Tr. 32 (AG).

²⁴ Tr. 129 (RB).

²⁵ Tr. 130 (RB).

²⁶ Tr. 134-135 (RB).

²⁷ Tr. 137 (RB).

Respondent told RB that the check for the investment should be made payable to his investment firm, Goshen.²⁸ When RB researched Goshen on the internet and found nothing, she questioned whether the investment was a good idea.²⁹ However, Respondent showed her that he was associated with Pruco, alleviating her concerns.³⁰

Based on Respondent's misrepresentations, on March 28, 2011, RB gave Respondent \$5,000 to invest as Respondent described. At Respondent's instruction, RB wrote a check payable to Goshen and gave it to Respondent.³¹

Again, Respondent deposited the check into the Goshen bank account and used the funds to pay his personal expenses.³² Respondent promised RB that documentation for the investment would be forthcoming.³³ Immediately after making her investment, RB began asking for documentation, but Respondent never provided it.³⁴ Accordingly, RB sent Respondent an email requesting that he return her investment.³⁵ Respondent told RB that she had to wait 90 days.³⁶ After 90 days had passed, RB again began asking for her money back.³⁷ She was persistent, and set up several meetings with Respondent, but he gave her the "runaround."³⁸ When she threatened to complain to Pruco, Respondent gave her a check written on the Goshen account,

²⁸ Tr. 135, 137 (RB).

²⁹ Tr. 136 (RB).

³⁰ Tr. 136-137 (RB).

³¹ CX-6; Tr. 137-138 (RB).

³² Tr. 187 (Respondent).

³³ Tr. 139 (RB).

³⁴ *Id.*

³⁵ *Id.*

³⁶ Tr. 140 (RB).

³⁷ *Id.*

³⁸ CX-14; Tr. 141 (RB).

but the bank refused to cash it because the payee line only had her first name and there were insufficient funds in Respondent's account.³⁹

After that, RB complained to Pruco and the police.⁴⁰ Several weeks later, Respondent called RB, said she had ruined his life, and offered to pay her back if she would lie to Pruco about her investment.⁴¹ Respondent said he would call back to discuss it further, but he never did.⁴² Ultimately, Pruco refunded RB's funds, with interest.⁴³

D. Respondent Engages in Prohibited Outside Business Activities without Notifying His Firm

During the period in question, Pruco's written policies required representatives to provide prior written notice of all outside business activities to their supervising principal using a database designed for that purpose.⁴⁴ These procedures required representatives to attest to the accuracy of the Uniform Application for Securities Industry Registration or Transfer ("Form U4") disclosures every 30 days.⁴⁵

In July 2010, Respondent completed an initial Form U4 indicating that he was not engaged in any outside business activities. From that point until he left in September 2011, he never updated his Form U4 or otherwise disclosed to Pruco that he was engaged in outside business activities.⁴⁶

In January 2011, when Pruco's affiliate checked the insurance agent database in connection with its appointment of Respondent to sell insurance through Pruco, it came to light

³⁹ CX-15, Tr. 147, 159 (RB).

⁴⁰ Tr. 147 (RB).

⁴¹ Tr. 149 (RB).

⁴² *Id.*

⁴³ CX-19, Tr. 150 (RB).

⁴⁴ CX-2; Tr. 55 (Nelson), Tr. 106 (Riebel).

⁴⁵ Tr. 54 (Nelson).

⁴⁶ CX-3, at 8; Tr. 59 (Nelson), 200 (Respondent).

that Respondent was already appointed as an insurance agent with Allstate.⁴⁷ When his supervisor brought this to Respondent's attention and indicated that Respondent could not have an outside affiliation with Allstate, Respondent denied any active involvement.⁴⁸ However, Respondent admitted that he began negotiating with Allstate in February 2010 to buy an insurance agency, and that he incorporated Goshen in September 2010 for that purpose.⁴⁹ He also rented space and purchased furniture for his anticipated Allstate business.⁵⁰

III. Conclusions of Law

A. Respondent Converted Investor Funds, in Violation of FINRA Rule 2010

Respondent is charged with converting the funds of AG and RB, in violation of FINRA Rule 2010. The FINRA Sanction Guidelines define conversion as "an intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possess it."⁵¹

Here, Respondent exploited his personal relationships with AG and RB, persuading them to give him an aggregate of \$15,000 based upon his misrepresentation that their funds would be invested. However, Respondent deposited AG's and RB's funds in an account that he controlled and used the funds for his personal expenses.

Accordingly, the Hearing Panel finds that Respondent converted customer funds, in violation of FINRA Rule 2010.

⁴⁷ Tr. 72, 87 (Nelson).

⁴⁸ Tr. 71-73, 90 (Nelson).

⁴⁹ CX-7, CX-21, at 7; Tr. 174 (Respondent).

⁵⁰ CX-16, CX-21, at 32, 36; Tr. 217, 226 (Respondent).

⁵¹ FINRA Sanction Guidelines ("Guidelines") at 36 (2011), available at <http://www.finra.org/sanctionguidelines>.

B. Respondent Made Fraudulent Misrepresentations in Connection with the Sale of Securities, in Violation of FINRA Rules 2020 and 2010

Respondent is charged with making fraudulent misrepresentations to customers AG and RB that their funds would be invested in securities, when in fact Respondent used the funds to pay his personal expenses.

FINRA Rule 2020 provides that no member shall effect any transaction, or induce the purchase or sale of any security, by means of any manipulative, deceptive, or fraudulent device. The rule is designed to ensure that sales representatives fulfill their obligations to their customers to make accurate statements about securities.⁵² To establish a violation of FINRA Rule 2020, the Hearing Panel must find that Respondent made material misrepresentations or omissions in connection with the purchase or sale of a security and acted with scienter.⁵³

Here, there was no sale of actual securities since Respondent simply took the funds and deposited them into an account he controlled. However, Rule 2020 applies even when the securities are non-existent or counterfeit.⁵⁴ The Rule applies if a respondent represents that he or she is selling a security.⁵⁵

1. Respondent's Misrepresented Material Facts

Materiality of a fact depends on “the significance the reasonable investor would place on the withheld or misrepresented information,” and Enforcement must show that such information

⁵² *Dist. Bus. Conduct Comm. v. Euripides*, 1997 NASD Discip. LEXIS 45 at *16-17 (NBCC July 28, 1997). A violation of FINRA Rule 2020 is also a violation of FINRA Rule 2010. *Dep't of Enforcement v. Cipriano*, No. C07050029, 2007 NASD Discip. LEXIS 23, at *30 n.20 (NAC July 26, 2007).

⁵³ *See, e.g., Joseph Abbondante*, Exchange Act Rel. No. 53066, 2006 SEC LEXIS 23, at *36-37 (Jan. 6, 2006).

⁵⁴ *Cf. SEC v. Lauer*, 52 F.3d 667, 670 (7th Cir. 1995) (“An elementary form of [securities fraud] is misrepresenting an interest as a security when it is nothing of the kind.”); *First Nat'l Bank of Chicago v. Shearson*, 1988 U.S. Dist. LEXIS 17186 at *16-26 (N.D. Ill. 1988) (holding “the fact that a defendant never owned the securities does not preclude protection of the plaintiff by the federal securities law when the plaintiff was an actual party to the securities transaction and, but for the defendant's fraud, would have become an actual purchaser.”), *citing, First Nat'l Bank v. Estate of Russell*, 657 F.2d 668, 673 n.16 (5th Cir. 1981).

⁵⁵ *Id.*

“would have been viewed by the reasonable investor to have changed the total mix of information made available.”⁵⁶

Here, it is plainly material that Respondent fraudulently misrepresented to AG and RB that he would invest their funds in a security that would yield profits.⁵⁷

2. Respondent Acted with Scienter

Scienter is defined as “a mental state embracing intent to deceive, manipulate or defraud.”⁵⁸ Scienter is established if a respondent acted intentionally or recklessly.⁵⁹ Scienter can be shown by the “flagrant personal use of investor funds....”⁶⁰ Here, the evidence is overwhelming that Respondent acted with scienter. He exploited the trust of women with whom he had personal relationships, and misrepresented that their funds would be invested, when he actually converted their funds to his own use.

3. Respondent’s Misrepresentations Involved the Sale of a Security

The term “security” has been defined to include an “investment contract.”⁶¹ The U.S. Supreme Court has held that to satisfy the investment contract definition of a security a transaction must include (1) the presence of an investment (2) in a common venture (3) premised on a reasonable expectation of profits (4) that are derived from the entrepreneurial or managerial efforts of others.⁶²

⁵⁶ *SEC v. Hasho*, 784 F. Supp. 1059, 1108 (S.D.N.Y. 1992).

⁵⁷ *Dep’t of Enforcement v. Becerril*, No. 2009018944001, 2012 FINRA Discip. LEXIS 4, at *19 (OHO Feb. 23, 2012).

⁵⁸ *Ernst & Ernst v. Hochfelder*, 425 U.S. 185, 193 n.12 (1976).

⁵⁹ *See Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 319 n.3 (2007).

⁶⁰ *SEC v. Presto Telecoms.*, 237 Fed. Appx. 198 (9th Cir. 2007).

⁶¹ *SEC v. Edwards*, 540 U.S. 389, 393-94 (2004).

⁶² *United Housing Foundation, Inc. v. Forman*, 421 U.S. 837 (1975); *SEC v. W.J. Howey Co.*, 328 U.S. 293, 298-99 (1946).

Here, the four elements of an investment contract are present. First, AG and RB invested money. Second, Respondent represented that they were investing in a common enterprise. A common enterprise under *Howey* is established where there is “horizontal commonality,” that is, “the tying of each individual investor’s fortunes to the fortunes of the other investors by the pooling of assets, usually combined with the pro-rata distribution of profits.”⁶³ Here, when Respondent received funds from AG and RB he told them that the funds would be pooled with other investor’s funds and loaned to businesses thereby establishing horizontal commonality.⁶⁴

Third, based upon Respondent’s representations, AG and RB expected to make a profit on their investment. He represented that AG would receive a six percent return on her investment and RB would receive a nine percent return on her investment. The U.S. Supreme Court has held that “[t]here is no reason to distinguish between promises of fixed returns and promises of variable returns.... In both cases, the investing public is attracted by representations of investment income....”⁶⁵

Fourth, the customers relied on the efforts of others to place loans and generate and collect the interest payments. Respondent represented that the investors’ funds would be pooled and loaned to businesses. This is similar to the facts in *Dep’t of Enforcement v. Kevin Kunz*, where the investors relied on the promoter to place loans using the money investors provided to generate a high enough rate to pay the promised returns to investors.⁶⁶ Thus, the Hearing Panel concludes that the investment was a security.

⁶³ *Revak v. SEC Realty Corp.*, 18 F.3d 81, 87 (2d Cir. 1994).

⁶⁴ The return percentages Respondent presented to AG and RB differed. However, this does not establish lack of horizontal commonality. As discussed above, the measure is how Respondent presented the investment. Thus, it is sufficient that Respondent indicated that the investment would be pooled with that of others.

⁶⁵ *SEC v. Edwards*, 540 U.S. at 394 (2004).

⁶⁶ *Dep’t of Enforcement v. Kevin D. Kunz*, No. C3A960029, 1999 NASD Discip. LEXIS 20, at *23-24 (NAC July 7, 1999), *aff’d* 55 SEC 551 (2002), *aff’d mem.*, 2003 U.S. App. LEXIS 6011 (10th Cir. 2003).

4. Respondent's Misrepresentations were in Connection with the Sale of a Security

The last element of a securities fraud claim under Rule 2020 is that the misconduct be “in connection with” the purchase or sale of securities. As noted above, although no securities were actually sold, this element is nonetheless satisfied because Respondent misrepresented to the customers that their funds were being used to purchase securities.

Accordingly, the Hearing Panel finds that Respondent violated FINRA Rules 2020 and 2010.

C. Respondent Engaged in Private Securities Transactions without Prior Written Notice to and Written Permission from his Member Firm, in Violation of NASD Rule 3040 and FINRA Rule 2010

NASD Rule 3040 requires that an associated person who intends to participate in a private securities transaction must “provide written notice to the member with which he is associated describing in detail the proposed transaction and the person’s proposed role therein and stating whether he has received or may receive selling compensation in connection with the transaction”

NASD Rule 3040 defines a “private securities transaction” as “any securities transaction outside the regular course or scope of an associated person’s employment with a member.” Further, if the transaction is for compensation, the associated person may not engage in the transaction unless the employer gives its prior approval in writing.⁶⁷

The Hearing Panel finds that Respondent participated in private securities transactions when he offered an investment in securities to AG and RB. It is undisputed that Respondent’s

⁶⁷ *Alvin W. Gebhart, Jr.*, Exchange Act Release No. 53136, 2006 SEC LEXIS 93, at *55, *57 (Jan. 18, 2006).

actions were outside the regular course and scope of his employment and not disclosed to the firm.⁶⁸

Accordingly, the Hearing Panel finds that Respondent engaged in private securities transactions without prior written notice to his firm, in violation of NASD Rule 3040 and FINRA Rule 2010.⁶⁹

D. Respondent Engaged in Outside Business Activities Without Written Notice to his Member Firm, in Violation of NASD Rule 3030 and FINRA Rules 3270 and 2010

The Complaint alleges that Respondent engaged in outside business activities in violation of NASD Rule 3030 and FINRA Rules 3270 and 2010. NASD Rule 3030 and FINRA Rule 3270 require registered persons to provide written notice of outside business activities to their member firms.⁷⁰ The purpose of these rules is to provide member firms with an opportunity to raise any objections to such activities at a meaningful time and to exercise appropriate supervision as necessary under applicable law.⁷¹ Respondent's violation of NASD Rule 3030 and FINRA Rule 3270 is also a violation of FINRA Rule 2010.⁷²

Here, Respondent did not provide written notice to his firm about his efforts to establish an insurance agency, despite the fact that he had negotiated with Allstate, rented office space, purchased furniture, and incorporated Goshen as the legal entity to conduct his Allstate insurance business. Respondent argued that he was not conducting an outside business activity, because he was not yet selling insurance for Allstate. However, the fact that he had not yet launched the

⁶⁸ Tr. 211 (Respondent).

⁶⁹ Respondent's violation of NASD Rule 3040 is also a violation of FINRA Rule 2010. *Dist.Bus. Conduct Comm. v. Cruz*, No. C8A930048, 1997 NASD Discip. LEXIS 62, at *96 (NBCC Oct. 31, 1997).

⁷⁰ NASD Rule 3030 was in effect for the period ending December 14, 2010, and FINRA Rule 3270 applies for the period beginning December 15, 2010. Reg. Notice 10-49 (Oct. 2010).

⁷¹ *Proposed Rule Change by NASD Relating to Outside Business Activities of Associated Persons*, Exchange Act Release No. 26063, 1988 SEC LEXIS 1841 (Sept. 6, 1988), adopted at Exchange Act Rel. No. 26178, 1988 SEC LEXIS 2032 (Oct. 13, 1988).

⁷² *Kent M. Houston*, Exchange Act Rel. No. 66014, 2011 SEC LEXIS 4491, at *18 (Dec. 20, 2011); *Dep't of Enforcement v. Moore*, No. 2008015105601, 2012 FINRA Discip. LEXIS 45, at *24 n.19 (NAC July 26, 2012).

business did not relieve him of the obligation to disclose his efforts to Pruco. A registered representative must disclose any outside activity when steps are taken to commence the activity, even if the business is not expected to begin operating until sometime in the future.⁷³

Accordingly, the Hearing Panel finds that Respondent engaged in outside business activities without prior written notice to his firm, in violation of NASD Rule 3030 and FINRA Rules 3270 and 2010.

IV. Sanctions

A. Conversion

Under the FINRA Sanction Guidelines, a bar is standard for conversion of investor funds.⁷⁴ There are no mitigating factors warranting a lesser sanction. A bar is the appropriate sanction.

B. Fraudulent Misrepresentations

The Guidelines for intentional misrepresentations of fact recommend a fine of \$10,000 to \$100,000 and consideration of a suspension from 10 business days to two years, or in egregious cases, a bar.⁷⁵ Here, Respondent's misconduct was egregious. Respondent intentionally misled two investors into thinking that their funds were invested when in fact he had used the funds to pay his personal expenses. Later, when the fraud was discovered, rather than taking responsibility for his actions, Respondent provided a false account of the facts to his employer, FINRA Staff, and the Hearing Panel. Respondent should not be permitted to remain in the industry. A bar is warranted for this violation.

⁷³ *Dep't of Enforcement v. Schneider*, No. C10030088, 2005 NASD Discip. LEXIS 6, *13-14 (NAC Dec. 7, 2005).

⁷⁴ *Guidelines* at 36.

⁷⁵ *Id.* at 88.

C. Private Securities Transactions and Outside Business Activities

In light of the bars for conversion and fraudulent misrepresentations, no further sanctions are imposed for Respondent's other violations.⁷⁶

V. Conclusion

Respondent converted investor funds, in violation of FINRA Rule 2010, and made fraudulent misrepresentations in connection with the sale of securities, in violation of FINRA Rules 2020 and 2010. Respondent is barred from associating with any FINRA-registered firm in any capacity for each of these violations. In light of the bars, no further sanctions are imposed for engaging in private securities transactions without providing written notice to his firm, in violation of NASD Rule 3040 and FINRA Rule 2010, and engaging in outside business activities without providing written notice to his firm, in violation of NASD Rule 3030 and FINRA Rules 3270 and 2010.

Respondent is also ordered to pay costs in the amount of \$2,954.85, which includes the hearing transcript costs and an administrative fee of \$750. These costs shall be payable on a date set by FINRA, but not sooner than 30 days after this decision becomes FINRA's final disciplinary action in this proceeding. If this decision becomes FINRA's final disciplinary action, the bars shall become effective immediately.

HEARING PANEL

Sara Nelson Bloom
Hearing Officer

⁷⁶ The Hearing Panel considered and rejected without discussion all other arguments of the parties.

Copies to: Kenny Akindemowo (*via electronic mail and overnight courier*)
 Thomas B. Lawson, Esq. (*via electronic mail*)
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