

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2016047624501**

TO: Department of Enforcement  
Financial Industry Regulatory Authority (FINRA)

RE: Luis Fernando Restrepo (Respondent)  
Former General Securities Principal, former Investment Banking Principal, former  
Compliance Officer.  
CRD No. 2167380

Pursuant to FINRA Rule 9216, Respondent Luis Fernando Restrepo submits this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described in this AWC.

**I.**

**ACCEPTANCE AND CONSENT**

- A. Respondent hereby accepts and consents, without admitting or denying the findings and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

**BACKGROUND**

Restrepo first became registered with FINRA as a General Securities Representative (GS) through his association with a FINRA member firm in 1991. He became registered as a General Securities Principal (GP) in 1999. Restrepo was associated with various FINRA member firms between 1991 and 2016. From April 2016 through October 2018, Restrepo was associated with Fusion Analytics Securities, LLC (BD No. 124245), where he was registered as a GS and a GP, among other registrations. During his association with Fusion, Restrepo was the firm's Chief Compliance Officer (CCO) and Anti-Money Laundering Compliance Officer (AMLCO).

Restrepo was registered with FINRA through another member firm from March 26, 2020, through December 31, 2020. Although Restrepo is no longer associated with any FINRA member firm, FINRA retains jurisdiction over him pursuant to Article V, Section 4(a)(i) of FINRA's By-Laws.

Respondent does not have any relevant disciplinary history.

## **OVERVIEW**

From April 2016, through March 2018, in his capacity as Fusion's AMLCO, Restrepo failed to reasonably establish and implement (i) an anti-money laundering (AML) compliance program reasonably designed to detect and cause the reporting of suspicious activity and (ii) a reasonably designed Customer Identification Program (CIP). As a result, Restrepo violated FINRA Rules 3310(a) and (b) and 2010. For calendar year 2016, Restrepo also failed to ensure that the firm conducted an annual independent test of its AML program. As a result, Restrepo violated FINRA Rules 3310(c) and 2010.

During the period April 2016, through March 2018, Restrepo also failed to reasonably establish, maintain, and enforce a supervisory system reasonably designed to achieve compliance with Section 5 of the Securities Act of 1933. As a result, Restrepo violated FINRA Rules 3110(a) and (b) and 2010.

Restrepo was the principal responsible for supervising private placements and reviewing correspondence. During the period of January 2017, until June 2018, Restrepo failed to reasonably supervise two private placements sold by Fusion in which Fusion failed to conduct and document reasonable investigations of the offerings and their issuers before recommending those securities to its customers. In addition, in connection with one of the private placements, Registered Representatives 1 and 2, who were associated with Fusion, employed, used, and made materially misleading statements in the sale of private placements. These registered representatives also relied on and distributed sales materials that were not balanced and that failed to disclose the risks associated with the investments. Restrepo was aware of multiple red flags of potential misrepresentations in offering materials distributed by Representatives 1 and 2 but did not reasonably investigate those red flags or otherwise take meaningful action to stop the misconduct. By reason of the foregoing, Restrepo violated FINRA Rules 3110(a) and (b) and 2010.

## **FACTS AND VIOLATIVE CONDUCT**

This matter originated from FINRA's 2016 and 2018 cycle exams of Fusion.

### **1. RESTREPO'S AML FAILURES**

During the period April 2016, through March 2018, Fusion's customers deposited and liquidated approximately 31 million shares of microcap securities, resulting in net proceeds of approximately \$20 million. Liquidations of microcap securities represented approximately 88% of all securities liquidations at the firm, and sales of microcap securities represented approximately 26% of all sales proceeds at the firm during that time.

#### **a. Restrepo failed to develop and implement a reasonably designed AML program.**

FINRA Rule 3310 requires each member to "develop and implement a written [AML] program reasonably designed to achieve and monitor the member's compliance with the requirements of the Bank Secrecy Act (31 U.S.C. § 5311, *et seq.*), and the implementing regulations promulgated thereunder by the Department of the Treasury."

FINRA Rule 3310(a) requires that each member's AML program must, among other things, be "reasonably expected to detect and cause the reporting of transactions required under 31 U.S.C. § 5318(g) and the implementing regulations thereunder." The implementing regulations require every broker-dealer to file with the Financial Crimes Enforcement Network a report of any suspicious transaction relevant to a possible violation of law or regulation. FINRA Notice to Members (NTM) 02-21 provided detailed guidance to the industry regarding the obligation of a broker-dealer to monitor for and report suspicious transactions. In NTM 02-21, FINRA advised each broker-dealer that when developing an AML program, it should tailor the program to fit its business, taking into consideration, among other factors, "the types of transactions in which its customers engage." NTM 02-21 further reminded broker-dealers of their duty to look for "red flags," such as signs of suspicious activity that suggest money laundering or other violative activity and provided broker-dealers with a non-exhaustive list of such red flags. In NTM 02-47, FINRA provided additional guidance to firms regarding their AML obligations and the requirement to file suspicious activity reports (SARs) for certain suspicious transactions.

FINRA Rule 3310(b) requires firms to "[e]stablish and implement policies, procedures and internal controls reasonably designed to achieve compliance with the [Bank Secrecy Act (BSA)] and the implementing regulations thereunder." The BSA's implementing regulations provide that "[a] broker-dealer must establish, document, and maintain a written Customer Identification Program ... appropriate for its size and business" and that the CIP must contain procedures for (i) "opening an account that specify identifying information that will be obtained from each customer" and (ii) "verifying the identity of each customer."

FINRA Rule 2010 requires members to "observe high standards of commercial honor and just and equitable principles of trade." A violation of another FINRA Rule also constitutes a violation of FINRA Rule 2010.

Pursuant to the firm's AML program and Written Supervisory Procedures (WSPs), as the AMLCO, Restrepo was responsible for establishing and implementing Fusion's AML program and ensuring that the firm was reasonably monitoring for and investigating AML red flags and reporting suspicious activity. Although a significant portion of Fusion's business was devoted to the deposit and liquidation of microcap securities for customers, Restrepo failed to reasonably tailor Fusion's AML procedures to this business and failed to reasonably detect and investigate known red flags of suspicious activity associated with those transactions. Restrepo also failed to establish and implement a reasonably designed CIP tailored to the firm's microcap stock business and its customer base.

During the period April 2016, through March 2018, Fusion's written AML procedures provided that the firm would "monitor account activity for unusual size, volume, pattern or type of transactions" and listed AML red flags that could signal suspicious activity including structured deposits, unusual wire activity, incoming transfers of shares that are subsequently liquidated and wired out, and multiple accounts simultaneously trading an

otherwise illiquid stock. The AML procedures also listed red flags specific to microcap securities issuers (e.g., the company has no business, no revenues and no product, the officers or insiders of the issuer are associated with multiple microcap stock issuers, or the company has experienced frequent changes in its business structure). The firm's CIP, which was included in the written AML procedures, further stated that, for accounts "deemed to be higher risk," the firm would obtain certain additional information about the customer's source of funds and business. Importantly, although the procedures identified red flags relating to trading, issuers, and customers, there was no reference to *how* the firm would review for these red flags.

While he was AMLCO, Restrepo did not put in place any reasonable process to identify red flags specific to microcap issuers, to identify "higher risk" accounts, or to designate the customer accounts that displayed certain AML-related red flags as high risk accounts. Restrepo did not implement any reasonable system or controls to identify patterns of suspicious activity over time. Restrepo looked at a daily pop-up on his computer screen reflecting a list of all the prior day's transactions, but he failed to review for red flags relating to trading in microcap securities that were identified in the firm's AML procedures. Restrepo relied on the firm's registered representatives to alert him to any potentially suspicious activity in their customers' accounts, but he did not take any steps to verify that those representatives were raising issues to him. Given the high volume of microcap securities transactions at the firm, Restrepo's manual review of daily trading, and over-reliance on registered representatives to raise red flags in their own customers' accounts, was not reasonably designed to detect patterns of potentially suspicious activity.

Restrepo's failure caused the firm to fail to detect and report potentially suspicious trading activity. For example, during the relevant period, one broker team opened accounts for approximately eight foreign individuals who deposited blocks of stock of the same issuer, which they received as "gifts." Many of the customers then liquidated the shares and immediately transferred out the sales proceeds. Restrepo did not identify the deposits and liquidations as red flags and took no steps to determine whether the accounts should be identified as "higher risk."

By virtue of the foregoing, Restrepo violated FINRA Rules 3310(a) and (b) and 2010.

**b. Restrepo failed to provide for an independent annual AML test.**

FINRA Rule 3310(c) provides that member firms must conduct annual independent tests for AML compliance and specifies that the independent testing must be conducted by a "designated person with a working knowledge of applicable requirements under the [BSA] and its implementing regulations." In order to preserve the independent nature of the testing, testing may not be conducted by (1) a person who performs the functions being tested, (2) the designated AMLCO, or (3) a person who reports to either of these prohibited people.

As the AMLCO, pursuant to the firm's WSPs, Restrepo was responsible for enforcing the requirement to conduct annual independent tests of the AML program. For calendar year 2016, Restrepo failed to ensure that the firm conducted an AML audit.

By virtue of the foregoing, Restrepo violated FINRA Rule 3310(c) and 2010.

- c. Restrepo failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with Section 5 of the Securities Act of 1933.**

FINRA Rule 3110(a) requires members to "establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA Rules."

FINRA Rule 3110(b) requires members to "establish, maintain, and enforce written procedures to supervise the types of business in which it engages and the activities of its associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA Rules."

Section 5 of the Securities Act prohibits the offer or sale of any security unless there is a registration statement in effect as to that security or there is an exemption or safe-harbor available for that securities transaction. "All firms must have procedures reasonably designed to avoid becoming participants in the potential unregistered distribution of securities. . . . [F]irms may not rely solely on others, such as clearing firms, transfer agents, or issuers' counsel, to fulfill these obligations."<sup>1</sup>

As the principal designated in the firm's WSPs, Restrepo was responsible for reviewing and approving microcap securities deposits and customer transaction activity in microcap securities to ensure compliance with applicable securities laws and rules. Restrepo failed to reasonably establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with Section 5 for sales of unregistered shares of microcap stocks.

Restrepo failed to conduct reasonable reviews to determine whether securities deposited into customer accounts were restricted and failed to ensure that securities sold were registered or exempt from registration. Rather, Restrepo permitted the registered representatives handling the customer accounts, who were not principals, to have sole responsibility for determining whether sales of restricted securities were eligible for an exemption from registration.

Under the firm's WSPs, when a customer sought to resell a block of a little-known security or deposit unregistered securities or large blocks of microcap stocks, the registered representative was required to make inquiries to determine whether the resale may be illegal and get a completed Deposit Securities/Resale Request Questionnaire (DSRQ) from the customer. The broker on the account and Restrepo, the designated principal, were tasked with reviewing the DSRQ and raising any concerns or suspicions

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<sup>1</sup> FINRA Regulatory Notice 09-05.

to the CCO and AMLCO (Restrepo). Without any system to verify the accuracy of the materials customers provided to the firm, Restrepo relied solely on the brokers to review DSRQs and the supporting materials their customers submitted. Restrepo failed to implement any reasonable system to verify whether securities being deposited were restricted or free trading. As a result, Restrepo failed to identify certain errors and red flags, which would have been apparent upon a reasonable review of the documentation on its face.

By virtue of the foregoing, Restrepo violated FINRA Rules 3110(a) and (b) and 2010.

## **2. RESTREPO FAILED TO REASONABLY SUPERVISE TWO PRIVATE PLACEMENTS**

During the January 2017, until June 2018 period, Restrepo failed to reasonably supervise two private placements sold by the firm's registered representatives. Fusion's participation in first offering commenced in January 2017 (Offering 1). Fusion's participation in the second offering commenced in December 2017 (Offering 2).

FINRA Regulatory Notice 10-22 (Reg. Notice 10-22) reminds firms of their obligations to conduct a reasonable investigation of the issuers and the securities they recommend.<sup>2</sup> Reg. Notice 10-22 further reminds firms that they must have supervisory procedures that are reasonably designed to ensure, among other things, that the firm's personnel engage in an inquiry of a private placement that is sufficiently rigorous and that each private placement is properly supervised. To ensure that it has fulfilled its suitability responsibilities, a broker-dealer in a Regulation D offering should, at a minimum, conduct a reasonable investigation concerning:

- the issuer and its management;
- the business prospects of the issuer;
- the assets held by or to be acquired by the issuer;
- the claims being made; and
- the intended use of proceeds of the offering.

Reg. Notice 10-22 further reminds broker-dealers that in the course of a reasonable investigation, a broker-dealer must note any information that it encounters that could be considered a "red flag" that would alert a prudent person to conduct further inquiry. A broker-dealer's reasonable investigation responsibilities would obligate it to follow up on any red flags that it encounters during its inquiry as well as to investigate any substantial adverse information about the issuer. Reg. Notice 10-22 states that, when presented with red flags, the broker-dealer "must do more than simply rely upon representations by issuer's management, the disclosure in an offering document or even a due diligence report of issuer's counsel."<sup>3</sup> In addition, the firm should retain records documenting both the process and results of the investigation. A firm's failure to conduct a reasonable

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<sup>2</sup> FINRA Regulatory Notice 10-22, *Regulation D Offerings, Obligation of Broker-Dealers to Conduct Reasonable Investigations in Regulation D Offerings* (April 2010).

<sup>3</sup> Reg. Notice 10-22.

investigation regarding the suitability of a Regulation D offering is a violation of FINRA Rules 3110 and 2010.

The firm's WSPs designated supervisory responsibility for both offerings to Restrepo, and he personally supervised both Offering 1 and Offering 2. In addition to his supervisory responsibilities over private placements, Restrepo was designated in the Firm's WSPs to be responsible for remedying deficiencies in compliance by associated persons, reviewing correspondence, reviewing and approving retail communications, and supervising the firm's recordkeeping and reporting, among other supervisory responsibilities.

- a. Restrepo failed to reasonably establish and maintain a supervisory system and failed to reasonably establish, maintain, and enforce written supervisory procedures that were reasonably designed to achieve compliance with FINRA rules with respect to Offering 1.**

**1. Background regarding OldCo and Promoter 1.**

Prior to Restrepo's association with Fusion, Fusion and Registered Representative 1 sold equity in a company (OldCo) run by Promoter 1 and founded by his family. OldCo claimed to have developed a revolutionary new engine that was cleaner and more efficient than traditional internal combustion engines. Between 2004 and 2011, OldCo raised more than \$80 million through the sale of equity in unregistered offerings.

The SEC filed an Order Instituting Cease-and-Desist Proceedings (SEC Order) in 2013, imposing sanctions on OldCo and Promoter 1. The SEC found that the unregistered offerings failed to qualify for registration exemptions and that Promoter 1 caused OldCo to engage in a plan to evade registration requirements by concealing the number of unaccredited investors. The SEC also found that offering materials for the sale of equity in OldCo misrepresented that investors' funds would be used only for corporate purposes. Contrary to those misrepresentations, millions of dollars were misdirected to benefit family members of Promoter 1.

OldCo has never generated any revenue from the engine design upon which it raised capital through the sale of more than \$80 million of equity.

**2. Fusion agrees to participate in Offering 1 at the request of Promoter 1.**

In January 2017, Promoters 1 and 2 introduced Fusion and Representative 1 to another broker-dealer (BD 1) participating in Offering 1. The issuer of the bonds (Issuer 1) described itself at the time as a wholly owned subsidiary of OldCo. Promoter 1 was among Issuer 1's management and was still the president of OldCo.

The offering was intended to raise \$6 million of the necessary \$7.75 million for the development of a power plant, which the Issuer 1 claimed would be developed with new clean energy technology patented by OldCo. Revenue from the power plant would be the

only source of revenue to pay the bonds. None of OldCo, Issuer 1, Promoter 1, or Promoter 2 had any experience building or operating a power plant.

Fusion participated in the offering, marketing the offering independently from BD 1. Fusion, through Registered Representatives 1 and 2, sold \$860,000 of the bonds.

**3. Restrepo failed to reasonably supervise Offering 1 to ensure Fusion and Registered Representatives 1 and 2 had a reasonable basis to recommend the bonds.**

Restrepo failed to perform a reasonable investigation of Issuer 1 or its management even though Representatives 1 and 2 recommended Offering 1 to their customers. Restrepo also failed to ensure that Fusion maintained any record of performing due diligence on Offering 1 except for the existence of a "Dealbox," which was an electronic data room made available to potential investors containing information provided by Promoters 1 and 2 concerning the offering. Restrepo reviewed the Dealbox, but he failed to detect multiple red flags in the Dealbox information and failed to perform any reasonable investigation of these red flags. Restrepo took no steps to investigate the veracity of any of the information provided by Promoters 1 and 2 or Issuer 1. Instead, Restrepo allowed Fusion and Registered Representatives 1 and 2 to rely solely on information provided by Issuer 1 and Promoters 1 and 2. The reliance of Restrepo and Registered Representatives 1 and 2 on the Issuer and Promoter 1 and 2 also contravened Fusion's own WSPs that Restrepo was designated to enforce as CCO and AMLCO.

The Dealbox information raised numerous red flags, including:

- The SEC Order against Promoter 1 and OldCo;
- Promoter 1's history of raising more than \$80 million on assurances that a new technology was very near to commercialization when in fact that technology was never fully developed, let alone commercialized;
- Issuer 1 and Promoters 1 and 2 had no history building or owning power plants or selling electricity or any of the other commodities that they claimed as sources of revenue for the project;
- Issuer 1, OldCo, and Promoters 1 and 2 had no history as a general contractor but were designated to act as general contractors on the project rather than retaining professional general contractors with relevant experience;
- Offering 1 paid unusually high rates of interest, substantially more than rates for traditional financing options or most high-yield bonds, suggesting skepticism by banks and large institutional investors;
- Offering 1's documents and promotional material included unrealistic and unsupported projections for revenue and contained misleading assurances regarding construction and revenue; and
- Issuer 1 and Promoters 1 and 2 repeatedly overstated their progress on efforts to secure capital and construction of the power plant.



**4. Restrepo was aware of but failed to reasonably investigate red flags indicating that Fusion, Representative 1, and Representative 2 made material misrepresentations and omissions to investors in Offering 1.**

To promote Offering 1, Representative 1 sent an email marketing the offering to more than twenty-five retail investors. He did not have Restrepo review this email before it was sent, as required by the firm's WSPs. Restrepo was informed of the email the following day but took no corrective steps and made no attempt to discipline Representative 1.

Representative 1's email included a link to the Dealbox. Among the thirty-five documents included in the data room was the PPM and a document summarizing the project. Throughout both the PPM and the summary, there were misleading promises of "construction assurance," "performance assurance," and "revenue assurance" associated with the project. In fact, neither construction nor any of the revenue sources were "assured" or "confirmed." The summary and PPM both projected Issuer 1's total revenue to be more than \$3.8 million in 2017, claiming 74.2% of that amount was "confirmed revenue." However, there was no indication in any of the materials reviewed by Restrepo evidencing that it was possible for Issuer 1 to complete the power plant project or generate any revenue in 2017. In fact, Promoters 1 and 2 did not expect Issuer 1 to achieve any revenue in 2017, a fact that would have been discovered by Restrepo had he performed a reasonable investigation.

Restrepo also failed to take steps to ensure that the substance of the SEC Order was disclosed to investors. Both the PPM and summary document provided lengthy biographies of Promoter 1 while omitting any mention of the SEC Order. The only reference to the SEC Order came in two other documents in the Dealbox that were mixed among more mundane documents, such as certificates of formation and documentation regarding the model of engine that might be purchased or installed in the power plant. One was a memo drafted by Promoters 1 and 2 disputing the findings of the SEC Order and claiming that "all the remuneration cited by the SEC is justifiable." The other was a *Wells* submission made by Promoter 1 and OldCo denying the SEC's allegations. Nothing in any of the documents contained any description of the findings of the SEC: they contained only denials. The presentation of information concerning the SEC Order was materially misleading and would have been discovered by Restrepo had he performed a reasonable investigation.

By reason of the foregoing, Restrepo violated FINRA Rules 3110 and 2010.

**b. Restrepo failed to reasonably establish and maintain a supervisory system and failed to reasonably establish, maintain, and enforce written supervisory procedures that were reasonably designed to achieve compliance with FINRA's rules with respect to Offering 2.**

From December 2017 through June 2018, Fusion acted as a selling agent in the sale of securities by Issuer 2 (Offering 2). Offering 2 was sold under Rule 506 of SEC Regulation D and Regulation S. Under Fusion's WSPs, Restrepo was designated to

supervise due diligence on the offering. Restrepo delegated primary responsibility for due diligence to Registered Representative 3.

Registered Representative 3 participated in several road shows to promote Offering 2, during which he recommended Offering 2 to potential investors. In addition to paying a flat agreed fee in multiple installments, Issuer 2 also paid Fusion commissions on sales in Offering 2 and Registered Representative 3's travel, hotel, and meal expenses, which were substantial.

Restrepo failed to reasonably supervise Offering 2 because he failed to conduct or ensure anyone else at Fusion conducted a reasonable investigation of: (1) the issuer and its management; (2) claims being made within related offering materials used in connection with the sale, or (3) the intended use of the proceeds of Offering 2. Restrepo also failed to maintain or ensure anyone else at Fusion maintained documentation of any investigation performed, other than the files containing documents from the issuer.

FINRA Rule 4511 requires members to make and preserve books and records as required under FINRA rules, the Exchange Act and the applicable Exchange Act rules. Exchange Act Rule 17a-3(a)(19) requires broker-dealers to maintain a record of all compensation, including non-monetary compensation, paid to associated persons. Fusion's WSPs at the time of Offering 2 defined "Non-Cash Compensation" to include "any form of compensation received by a member in connection with the sale and distribution of securities that is not cash compensation, including, but not limited to, ... travel expenses, meals, lodging, and securities." Consistent with Exchange Act Rule 17a-3(a)(19), the WSPs further provided that Fusion "must maintain records of all compensation, cash and non-cash, received from offerors." Restrepo was designated as the principal responsible for supervising the Firm's recordkeeping and reporting. Restrepo failed to reasonably supervise the firm's recordkeeping and reporting by failing to ensure that Fusion collected and maintained travel and entertainment expense records paid by Issuer 2 for Representative 3 while participating in Offering 2 within the books and records of Fusion. Restrepo was aware of the need to collect and preserve records of Representative 3's compensation and was aware that the firm failed to do so but took no corrective action to ensure Fusion was in compliance with its recordkeeping obligations.

By reason of the foregoing, Restrepo violated FINRA Rules 3110 and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a six-month suspension from associating with any FINRA member in all principal capacities; and
- the requirement to requalify as a principal by passing the requisite examination(s) prior to acting in that capacity with any FINRA member.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

Respondent has submitted a statement of financial condition and demonstrated an inability to pay. In light of Respondent's financial status, no monetary sanctions have been imposed.

Respondent understands that if he is suspended from associating with any FINRA member in a principal, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, Respondent may not be associated with any FINRA member in a principal capacity during the period of the bar or suspension. *See* FINRA Rules 8310 and 8311. Furthermore, because Respondent is subject to a statutory disqualification during the suspension, if he remains associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

## II.

### WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against him;
- B. To be notified of the complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

### III.

#### OTHER MATTERS

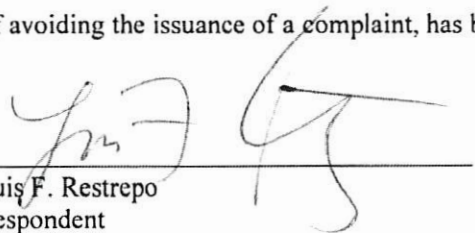
Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:
  - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
  - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
  - 3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and
  - 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he may not deny the charges or make any statement that is inconsistent with the AWC in this statement. This statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA.


Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the

terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

May 4/2021  
Date

  
Luis F. Restrepo  
Respondent

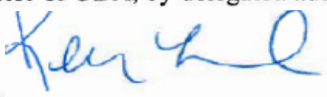
Reviewed by:

  
David R. Chase, Esq.  
Counsel for Respondent  
Law Firm of David R. Chase  
1700 East Las Olas Boulevard  
Suite 305  
Ft. Lauderdale, FL 33301

Accepted by FINRA:

July 20, 2021  
Date

Signed on behalf of the  
Director of ODA, by delegated authority

  
Kerry J. Land  
Principal Counsel  
FINRA  
Department of Enforcement  
Brookfield Place, 200 Liberty Street – 11<sup>th</sup> Floor  
New York, NY 10281