

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

Department of Enforcement,

Complainant,

v.

James Bradley Schwartz,
(CRD NO. 3043085)

Respondent.

DISCIPLINARY PROCEEDING
No. 2016051704302

COMPLAINT

The Department of Enforcement (“Enforcement”) alleges:

SUMMARY

1. Respondent James Bradley Schwartz (“Schwartz”), while associated with Aegis Capital Corp. (“Aegis” or the “Firm”), a FINRA-regulated broker-dealer, churned and excessively traded the accounts of four of his Firm customers, FP, KK, MN and DN, from August 2014 through May 2016 (the “Relevant Period”). During this period, Schwartz executed approximately 535 trades in these customer accounts – resulting in annualized turnover rates ranging from 19.9 to 54.7, and annualized cost-to-equity ratios (or break even points) ranging from 87% to 120%. Schwartz’s churning and excessive trading was unsuitable and caused combined losses of more than \$660,000 in these four customers’ accounts. At the same time, Schwartz’s trading generated gross sales credits and commissions of approximately \$277,705, of which Schwartz received more than \$194,000.

2. Schwartz conducted his fraudulent and deceptive trading by exercising *de facto* control over FP, KK, MN and DN’s accounts and engaging in unauthorized trading. Indeed,

during the Relevant Period, Schwartz executed 261 trades with a total principal value of approximately \$10 million without his customers' authorization, including unauthorized trades Schwartz executed in his customer DP's account after DP had died.

3. By churning and excessively trading FP, KK, MN and DN's accounts, Schwartz willfully violated Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 thereunder, and also violated FINRA Rules 2111, 2020 and 2010.

4. By engaging in unauthorized trading in FP, DP, KK, MN and DN's accounts, Schwartz violated FINRA Rule 2010.

RESPONDENT AND JURISDICTION

5. Schwartz entered the securities industry in 1998. He was associated with nine different NASD and FINRA-regulated broker-dealers before joining Aegis in June 2013.

6. From June 2013 through June 2016, Schwartz was associated with Aegis as a General Securities Representative ("GSR") in the Firm's Melville, New York branch.

7. After leaving Aegis, Schwartz was registered with two other FINRA-regulated broker-dealers as a GSR from June 2016 to February 2017.

8. Although Schwartz is no longer registered or associated with a FINRA member firm, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws because: (i) the Complaint was filed within two years after the effective date of termination of Schwartz's registration with a FINRA-regulated broker-dealer, namely February 28, 2017, and (ii) the Complaint charges Schwartz with misconduct committed while he was registered or associated with a FINRA member firm.

FACTS

I. Customers FP, KK, DN and MN

9. During the Relevant Period, Schwartz had *de facto* control over the trading in Firm accounts held by FP, KK, DN and MN. Schwartz made the investment decisions, and controlled the volume and frequency of trading in each of the customer's accounts. None of the accounts were listed on Aegis' books and records as a discretionary account, and FP, KK, MN and DN never gave Schwartz discretionary authority. Schwartz, however, frequently engaged in unauthorized trading by making purchases and sales of securities without first discussing the transactions with FP, KK, MN or DN.

10. To conceal the high costs of his trading in these customers' accounts, Schwartz made the vast majority of his trades on a riskless principal basis, even though these purchases or sales could have been traded on an agency basis with a commission. Schwartz knew that, by trading on a riskless principal basis, the total costs for the trades would not be reported as commissions on the confirmations FP, KK, MN and DN received. Instead, when looking at the confirmations, FP, KK, MN and DN would see the "postage fee" charged by Aegis, and the per-share markup or markdown, with no indication of the total costs associated with each transaction. Significantly, these "hidden" markup and markdown costs represented approximately 90% of the total trading costs incurred by FP, KK, MN and DN.

11. Schwartz never discussed with FP, KK, MN or DN when specific securities trades were being made on a riskless principal basis, and never disclosed the total costs of his trading in their accounts.

12. Schwartz earned substantial revenues from his improper trading in these customers' accounts, personally receiving at least \$194,000. Moreover, throughout the

Relevant Period, Schwartz was experiencing significant financial distress, and had several unpaid judgments and liens pending against him.

II. Customer FP

13. DP, a customer of Aegis and Schwartz, died on January 7, 2015. His son – FP – became the executor of DP’s estate. FP is a registered nurse who resides in Texas.

14. In February 2015, FP opened an account at Aegis for DP’s estate (the “Estate Account”). FP was the sole authorized contact for the account, and Schwartz was the Estate Account’s broker of record from February 2015 through May 2016.

15. Although FP’s investment objective for the Estate Account was capital appreciation (growth), Schwartz recorded his investment objective as “speculation” with a risk tolerance of “high risk” on the Estate Account’s account opening documents.

16. FP funded the account on February 18, 2015, by transferring \$172,670 worth of securities from DP’s individual Firm account. Once transferred, Schwartz sold three of the existing positions to generate proceeds to pay the existing margin balance in DP’s account. As a result, as of close of business on February 18, 2015, the Estate Account had \$101,859.74 in cash plus one stock position for a total account value of approximately \$103,360. FP made no additional deposits of cash or transfers of securities in the Estate Account.

17. From February 2015 through May 2016, Schwartz executed 141 securities transactions in the Estate Account, which resulted in an annualized turnover rate of 19.9 and an annualized cost-to-equity ratio of 95.3%.

18. The average month-end account value of the Estate Account was less than \$46,000. In comparison, Schwartz’s gross purchases and sales totaled approximately \$3,393,000.

19. Schwartz executed 39 transactions in the Estate Account without FP's prior knowledge or authorization.

20. Schwartz's trading in the Estate Account generated total trading costs of \$61,716, including markups/markdowns totaling \$55,605 and commissions of \$625.

21. Schwartz's trading in the Estate Account caused account losses in excess of \$103,000.

III. Customers MN and DN

22. MN and DN are a married couple who reside in Pennsylvania. MN and DN were both 53 years old when they opened a joint account with Schwartz at Aegis. At the same time, MN also opened a separate, individual account with Schwartz. Schwartz was the broker of record for both accounts.

23. MN used a significant portion of the proceeds he received when he sold his business in 2014 to fund his Firm accounts. MN told Schwartz that he had just sold his business and that the invested funds represented a significant portion of MN and DN's retirement funds. MN also specifically told Schwartz that, while they were willing to accept some investment risk, MN and DN could not afford to lose the money they invested with Schwartz and Aegis. However, on the new account forms for MN and DN's accounts, Schwartz recorded their investment objective as "speculation" and their risk tolerance as "maximum risk."

A. Schwartz's Trading in MN's Individual Account

24. In December 2014, MN funded his individual account with a cash deposit of \$4,316. In February 2015, MN deposited an additional \$88,160 in cash and transferred \$1,051 worth of securities into the account. As of February 2015, the total cash deposited and

securities transferred into MN's individual account was \$93,527. MN made no additional deposits and, until August 2015, no withdrawals.

25. From February 2015 through July 2015, a trading period of only six months, Schwartz executed 73 securities transactions in MN's individual account, which resulted in an annualized turnover rate of 28.2 and an annualized cost-to-equity ratio of 98.2%.

26. The average month-end account value of MN's individual account was approximately \$67,000. In comparison, Schwartz's gross purchases and sales totaled approximately \$1,780,000.

27. Schwartz executed 37 transactions in MN's individual account without MN's prior knowledge or authorization.

28. Schwartz's trading in MN's individual account generated total trading costs of \$33,193, including markups/markdowns totaling \$29,156 and commissions of \$400.

29. Schwartz's trading in MN's individual account caused account losses in excess of \$66,000.

B. Schwartz's Trading in MN and DN's Joint Account

30. In February 2015, MN and DN funded their joint Aegis account with a transfer of \$277,288 in cash plus securities valued at \$84.

31. From February 2015 through July 2015, Schwartz executed 161 securities transactions in MN and DN's joint account, which resulted in an annualized turnover rate of 36.2 and an annualized cost-to-equity ratio of 87.9%.

32. The average month-end account value of MN and DN's joint account was approximately \$216,000. In comparison, Schwartz's gross purchases and sales totaled approximately \$7,380,000.

33. Schwartz executed 74 transactions in the account without either MN's or DN's prior knowledge or authorization.

34. During this six-month period, Schwartz's trading generated total trading costs of \$95,082, including markups/markdowns totaling \$86,624 and commissions of \$850.

35. Schwartz's trading caused account losses in excess of \$219,000.

IV. Customer KK

36. KK is an engineer and business executive who resided in Minnesota. In September 2013, KK opened an account at Aegis; Schwartz was the broker of record for KK's account from August 2014 through early June 2016.

37. Although KK's investment objective was capital appreciation (growth), KK's new account form listed his investment objective as "speculation" and his risk profile as "maximum risk".

38. From August 2014 through August 2015, Schwartz executed 160 securities transactions in KK's account, which resulted in an annualized turnover rate of 54.7 and an annualized cost-to-equity ratio of 120.4%.

39. The average month-end account value of KK's account was approximately \$90,000. In comparison, Schwartz's gross purchases and sales totaled approximately \$10,502,000.

40. Schwartz executed 106 transactions in KK's account without KK's prior knowledge or authorization.

41. Schwartz's trading in KK's account generated total trading costs of \$117,724, including markups/markdowns totaling \$102,295 and commissions of \$1,850.

42. Schwartz's trading caused account losses in excess of \$278,000.

V. Customer DP

43. In 2013, DP opened an individual account at Aegis; Schwartz was the broker of record for the account. DP's individual account at Aegis remained open through mid-February 2015, when DP's account was closed and its assets were transferred to an account established for his estate.

44. Around noon (CST) on January 5, 2015, DP suffered a medical event that left him incapacitated and hospitalized. DP died two days later on January 7, 2015, at 11:36 a.m., while still in the hospital.

45. On January 7, 2015 – the day DP died – Schwartz purchased 2,000 shares of the common stock SFM in DP's account for a total cost of \$69,873.

46. Later that afternoon, Schwartz sold 3,000 shares of PFE and 6,000 shares of XNPT in DP's account for proceeds of \$95,238 and \$55,895, respectively. The two sales transactions were made at 12:14 p.m. and 12:23 p.m. (CST), after DP had died.

47. On January 8, 2015, the day after DP's death, Schwartz effected two additional purchases in DP's account: 1,500 shares of MSFT for a total cost of \$73,504, and 2,000 shares of CY for a total cost of \$29,958.

48. Schwartz effected the above-described purchases and sales without DP's prior knowledge or authorization.

49. Schwartz's unauthorized trades in DP's account generated total gross sales credits and commissions of \$5,140, of which Schwartz received at least \$3,500.

FIRST CAUSE OF ACTION

**Churning
(Willful Violations of Section 10(b) of the Exchange Act and SEA Rule 10b-5 and
Violations of FINRA Rules 2020 and 2010)**

50. Enforcement realleges and incorporates by reference paragraphs 1–49.

51. Section 10(b) of the Exchange Act, SEA Rule 10b-5, and FINRA Rule 2020 are anti-fraud rules. They prohibit associated persons from using manipulative, deceptive or other fraudulent devices or contrivances in connection with the purchase or sale of any security (Rule 10b-5) or to induce the purchase or sale of any security (FINRA Rule 2020).

52. FINRA Rule 2010 requires an associated person to “observe high standards of commercial honor and just and equitable principles of trade.”

53. Churning is a manipulative and deceptive device that violates Section 10(b) of the Exchange Act, SEA Rule 10b-5, and FINRA Rules 2020 and 2010. It is fraudulent conduct that occurs in a broker-customer relationship when (i) a broker controls his customer’s account; (ii) the trading in the account is excessive in light of the customer’s investment objectives; and (iii) the broker acts with scienter, *i.e.*, with intent to defraud or with reckless disregard of the customer’s interests.

54. During the Relevant Period, Schwartz controlled the trading in the accounts of FP, KK, MN and DN.

55. Schwartz’s trading in these accounts was excessive and quantitatively unsuitable for each of these customers, as evidenced by the high annualized turnover and cost-to-equity ratios, the size and frequency of the transactions, the transaction costs incurred and the customers’ investment objectives and needs. Schwartz’s trading in the accounts resulted in annualized turnover rates between 19.9 and 54.7 and annualized cost-to-equity ratios between 87% and 120%.

56. Schwartz acted with scienter. In churning his customers’ accounts, Schwartz acted with intent to defraud or, at the very least, with reckless disregard of his customers’

interests, seeking to maximize his own remuneration in disregard of the interests of his customers.

57. Schwartz's fraudulent acts were carried out by the use or means of the instrumentalities of interstate commerce and through the U.S. mail, and involved securities transactions on national securities exchanges.

58. As a result of the foregoing conduct, Schwartz willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and violated FINRA Rules 2020 and 2010.

SECOND CAUSE OF ACTION

Excessive Trading/Quantitative Unsuitability (Violations of FINRA Rules 2111 and 2010)

59. Enforcement realleges and incorporates by reference paragraphs 1–58.

60. FINRA Rule 2111 requires an associated person “who has actual or de facto control over a customer account to have a reasonable basis for believing that a series of recommended transactions, even if suitable when viewed in isolation, are not excessive and unsuitable for the customer when taken together” in light of the customer's investment profile. Excessive trading occurs, and is unsuitable, when a registered representative has actual or *de facto* control over trading in a customer's account and the level of activity in that account is inconsistent with the customer's investment needs and objectives. A violation of FINRA Rule 2111 also constitutes a violation of FINRA Rule 2010.

61. During the Relevant Period, Schwartz exercised control over the accounts of FP, KK, DN and MN. Schwartz controlled the volume and frequency of trading in these accounts, deciding what to buy and sell, the quantities, the price, and when each transaction would occur. Schwartz also frequently made unauthorized trades in these accounts.

62. Schwartz's trading in these accounts was excessive and quantitatively unsuitable for each of these customers, as evidenced by the high annualized turnover and cost-to-equity ratios, the size and frequency of the transactions, the transaction costs incurred and the customers' investment objectives and needs. Schwartz's trading in the accounts resulted in annualized turnover rates between 19.9 and 54.7 and annualized cost-to-equity ratios between 87% and 120%.

63. Schwartz did not have a reasonable basis to believe that his trading in the accounts of customers FP, KK, MN and DN was suitable.

64. As a result of the foregoing conduct, Schwartz violated FINRA Rules 2111 and 2010.

THIRD CAUSE OF ACTION

Unauthorized Trading (Violation of FINRA Rule 2010)

65. Enforcement realleges and incorporates by reference paragraphs 1–64.

66. Unauthorized trading occurs when a registered representative effects trades in a customer's account without first obtaining the customer's authorization or consent.

Unauthorized trading is a breach of the duty to observe high standards of commercial honor and just and equitable principles of trade and, thus, a violation of FINRA Rule 2010.

67. Schwartz effected approximately 256 trades in the accounts of FP, KK, MN and DN during the Relevant Period without first discussing with, and obtaining authorization for the trades from, these customers. Schwartz's unauthorized trades in the accounts of FP, KK, MN and DN are detailed in Exhibit A, a copy of which is annexed hereto and incorporated herein by reference.

68. In addition, Schwartz executed purchases and sales of securities in DP's account on January 7, 2015 and additional purchases of securities in DP's account on January 8, 2015 without first obtaining authorization from DP to make the trades.

69. By effecting approximately 256 trades in the accounts of FP, KK, MN and DN, and five transactions in DP's account, without the customers' knowledge, authorization or consent, Schwartz engaged in unauthorized trading and conduct that was inconsistent with high standards of commercial honor and just and equitable principles of trade in violation of FINRA Rule 2010.

RELIEF REQUESTED

WHEREFORE, Enforcement respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Schwartz committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a) be imposed, including that Schwartz be required to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest;
- C. make specific findings that Schwartz willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

FINRA DEPARTMENT OF ENFORCEMENT

Date: February 26, 2019



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EXHIBIT A

Unauthorized Trades in the Estate Account (FP)

Date	Call Identified	Total Net Bought	Total Net Sold	Total Comm / SC	B/S	Symb	Net Dollar Bought	Net Dollar Sold	Total Comm / SC
05/12/15	N	\$0	\$19,660	\$540					
05/12/15					S	TROV	\$0	\$19,660	\$540
06/16/15	N	\$12,392	\$12,475	\$353					
06/16/15					S	YOKU	\$0	\$12,475	\$0
06/16/15					B	INVN	\$12,392	\$0	\$353
06/18/15	N	\$0	\$23,623	\$200					
06/18/15					S	TROV	\$0	\$23,623	\$200
06/19/15	N	\$22,935	\$0	\$871					
06/19/15					B	LOCK	\$22,935	\$0	\$871
06/22/15	N	\$0	\$11,493	\$233					
06/22/15					S	INVN	\$0	\$11,493	\$233
06/25/15	N	\$26,704	\$27,265	\$1,224					
06/25/15					S	YOKU	\$0	\$27,265	\$270
06/25/15					B	LOCK	\$17,968	\$0	\$640
06/25/15					B	PVA	\$8,737	\$0	\$314
07/15/15	N	\$0	\$28,121	\$0					
07/15/15					S	TTWO	\$0	\$28,121	\$0
07/16/15	N	\$0	\$4,719	\$0					
07/16/15					S	PVA	\$0	\$4,719	\$0
07/17/15	N	\$32,255	\$0	\$1,095					
07/17/15					B	YOKU	\$32,255	\$0	\$1,095
07/28/15	N	\$29,117	\$28,825	\$1,999					
07/28/15					S	YOKU	\$0	\$28,825	\$750
07/28/15					B	RPD	\$29,117	\$0	\$1,249
08/07/15	N	\$19,154	\$18,984	\$743					
08/07/15					S	TROV	\$0	\$18,984	\$0
08/07/15					B	TCK	\$19,154	\$0	\$743
08/24/15	N	\$0	\$17,432	\$0					
08/24/15					S	RPD	\$0	\$17,432	\$0
08/25/15	N	\$0	\$14,334	\$0					
08/25/15					S	TCK	\$0	\$14,334	\$0
08/26/15	N	\$40,739	\$10,210	\$1,751					
08/26/15					S	TROV	\$0	\$10,210	\$0
08/26/15					B	FB	\$40,739	\$0	\$1,751
08/28/15	N	\$0	\$40,695	\$0					
08/28/15					S	FB	\$0	\$40,695	\$0
09/25/15	N	\$5,331	\$4,846	\$189					
09/25/15					S	RPD	\$0	\$4,846	\$0
09/25/15					B	TROV	\$5,331	\$0	\$189
10/09/15	N	\$35,957	\$36,409	\$1,420					
10/09/15					S	TROV	\$0	\$36,409	\$0
10/09/15					B	VDSI	\$35,957	\$0	\$1,420
10/14/15	N	\$32,077	\$31,690	\$1,225					
10/14/15					S	VDSI	\$0	\$31,690	\$0
10/14/15					B	JOY	\$32,077	\$0	\$1,225
10/23/15	N	\$30,035	\$30,409	\$869					
10/23/15					S	JOY	\$0	\$30,409	\$0
10/23/15					B	BRCM	\$30,035	\$0	\$869
11/17/15	N	\$28,905	\$28,825	\$1,232					

Unauthorized Trades in the Estate Account (FP)

Date	Call Identified	Total Net Bought	Total Net Sold	Total Comm / SC	B/S	Symb	Net Dollar Bought	Net Dollar Sold	Total Comm / SC
11/17/15					S	BRCM	\$0	\$28,825	\$0
11/17/15					B	VDSI	\$28,905	\$0	\$1,232
11/24/15	N	\$24,959	\$24,767	\$1,050					
11/24/15					S	VDSI	\$0	\$24,767	\$0
11/24/15					B	KLIC	\$24,959	\$0	\$1,050
12/16/15	N	\$22,098	\$22,021	\$845					
12/16/15					S	KLIC	\$0	\$22,021	\$0
12/16/15					B	NK	\$22,098	\$0	\$845
01/14/16	N	\$16,507	\$16,576	\$250					
01/14/16					S	SQ	\$0	\$16,576	\$0
01/14/16					B	NK	\$16,507	\$0	\$250
01/26/16	N	\$61,282	\$14,893	\$2,607					
01/26/16					S	NK	\$0	\$14,893	\$0
01/26/16					B	MUR	\$61,282	\$0	\$2,607

**Unauthorized Trades in the Individual Account of MN and
Joint Account of MN and DN**

Account	Date	Call Identified	Total Net Bought (Per Day)	Total Net Sold (Per Day)	Total Comm / SC (Per Day)	B/S	Symb	Net Dollar Bought	Net Dollar Sold	Total Comm / SC
	03/19/15	N	\$25,658	\$25,570	\$975					
Joint	03/19/15					S	GPRO	\$0	\$25,570	\$163
Joint	03/19/15					B	PVA	\$25,658	\$0	\$813
	03/23/15	N	\$54,467	\$32,709	\$1,573					
Joint	03/23/15					S	DRI	\$0	\$32,709	\$0
Individual	03/23/15					B	TASR	\$21,545	\$0	\$621
Joint	03/23/15					B	TXRH	\$32,922	\$0	\$952
	03/24/15	N	\$51,874	\$50,125	\$1,275					
Joint	03/24/15					S	PVA	\$0	\$8,312	\$0
Joint	03/24/15					S	SUNE	\$0	\$41,813	\$25
Joint	03/24/15					B	TWTR	\$51,874	\$0	\$1,250
	03/25/15	N	\$0	\$30,694	\$0					
Joint	03/25/15					S	BLUE	\$0	\$30,694	\$0
	03/26/15	N	\$146,608	\$121,941	\$5,012					
Individual	03/26/15					S	RKUS	\$0	\$11,970	\$0
Individual	03/26/15					S	SUNE	\$0	\$23,250	\$0
Joint	03/26/15					S	PVA	\$0	\$14,230	\$0
Joint	03/26/15					S	RKUS	\$0	\$24,310	\$0
Joint	03/26/15					S	SUNE	\$0	\$48,182	\$0
Individual	03/26/15					B	TWTR	\$35,015	\$0	\$1,262
Joint	03/26/15					B	BABA	\$43,690	\$0	\$1,500
Joint	03/26/15					B	BLUE	\$22,904	\$0	\$500
Joint	03/26/15					B	GPRO	\$45,000	\$0	\$1,750
	04/01/15	N	\$0	\$61,821	\$0					
Individual	04/01/15					S	TASR	\$0	\$20,282	\$0
Joint	04/01/15					S	GPRO	\$0	\$41,539	\$0
	04/02/15	N	\$0	\$40,854	\$0					
Joint	04/02/15					S	BABA	\$0	\$40,854	\$0
	04/06/15	N	\$90,063	\$0	\$200					
Joint	04/06/15					B	AAPL	\$51,034	\$0	\$100
Joint	04/06/15					B	CRZO	\$39,029	\$0	\$100
	04/08/15	N	\$20,147	\$0	\$100					
Joint	04/08/15					B	BLUE	\$20,147	\$0	\$100
	04/10/15	N	\$17,000	\$0	\$500					
Individual	04/10/15					B	INUV	\$17,000	\$0	\$500
	04/14/15	N	\$32,080	\$34,320	\$500					
Individual	04/14/15					S	TWTR	\$0	\$34,320	\$0
Individual	04/14/15					B	BAC	\$32,080	\$0	\$500
	04/16/15	N	\$0	\$40,381	\$390					
Individual	04/16/15					S	FCS	\$0	\$20,031	\$50
Individual	04/16/15					S	TZOO	\$0	\$20,350	\$340
	04/17/15	N	\$20,414	\$0	\$400					
Individual	04/17/15					B	HAL	\$20,414	\$0	\$400
	04/20/15	N	\$40,349	\$20,169	\$1,079					
Individual	04/20/15					S	HAL	\$0	\$20,169	\$0
Individual	04/20/15					B	TASR	\$40,349	\$0	\$1,079
	04/21/15	N	\$112,000	\$111,048	\$0					
Joint	04/21/15					S	BAM	\$0	\$111,048	\$0
Joint	04/21/15					B	BAM	\$112,000	\$0	\$0

**Unauthorized Trades in the Individual Account of MN and
Joint Account of MN and DN**

Account	Date	Call Identified	Total Net Bought (Per Day)	Total Net Sold (Per Day)	Total Comm / SC (Per Day)	B/S	Symb	Net Dollar Bought	Net Dollar Sold	Total Comm / SC
	05/08/15	N	\$0	\$62,767	\$378					
Joint	05/08/15					S	BAS	\$0	\$18,757	\$0
Joint	05/08/15					S	GPRO	\$0	\$25,086	\$0
Joint	05/08/15					S	TROV	\$0	\$18,924	\$378
	05/13/15	N	\$96,508	\$93,682	\$3,000					
Individual	05/13/15					S	GPRO	\$0	\$49,997	\$100
Individual	05/13/15					S	TASR	\$0	\$43,686	\$100
Individual	05/13/15					B	JUNO	\$47,630	\$0	\$1,380
Individual	05/13/15					B	MBLY	\$48,878	\$0	\$1,420
	05/14/15	N	\$0	\$115,908	\$300					
Joint	05/14/15					S	BAS	\$0	\$29,344	\$100
Joint	05/14/15					S	GPRO	\$0	\$75,504	\$0
Joint	05/14/15					S	TROV	\$0	\$11,060	\$200
	05/15/15	N	\$141,739	\$44,358	\$4,190					
Individual	05/15/15					S	JUNO	\$0	\$44,358	\$0
Individual	05/15/15					B	YOKU	\$24,080	\$0	\$500
Joint	05/15/15					B	CSIQ	\$81,583	\$0	\$2,940
Joint	05/15/15					B	YOKU	\$36,076	\$0	\$750
	05/18/15	N	\$84,018	\$37,161	\$3,000					
Joint	05/18/15					S	CSIQ	\$0	\$37,161	\$0
Joint	05/18/15					B	SGEN	\$84,018	\$0	\$3,000
	05/20/15	N	\$85,811	\$170,111	\$3,100					
Individual	05/20/15					S	MBLY	\$0	\$45,640	\$25
Joint	05/20/15					S	FB	\$0	\$60,172	\$25
Joint	05/20/15					S	SGEN	\$0	\$64,299	\$300
Individual	05/20/15					B	KING	\$39,022	\$0	\$1,250
Joint	05/20/15					B	KING	\$46,788	\$0	\$1,500
	05/21/15	N	\$175,763	\$164,840	\$7,543					
Individual	05/21/15					S	YOKU	\$0	\$26,790	\$400
Joint	05/21/15					S	SGEN	\$0	\$97,841	\$228
Joint	05/21/15					S	YOKU	\$0	\$40,209	\$600
Individual	05/21/15					B	KING	\$39,688	\$0	\$1,425
Joint	05/21/15					B	ACAD	\$104,325	\$0	\$3,750
Joint	05/21/15					B	KING	\$31,750	\$0	\$1,140
	05/22/15	N	\$61,495	\$0	\$2,430					
Individual	05/22/15					B	TROV	\$19,947	\$0	\$788
Joint	05/22/15					B	TROV	\$41,549	\$0	\$1,643
	05/26/15	N	\$97,258	\$21,723	\$2,560					
Joint	05/26/15					S	LOAN	\$0	\$21,723	\$0
Joint	05/26/15					B	FEYE	\$75,308	\$0	\$2,560
Joint	05/26/15					B	LOAN	\$21,950	\$0	\$0
	05/28/15	N	\$173,676	\$191,254	\$0					
Individual	05/28/15					S	KING	\$0	\$37,825	\$0
Joint	05/28/15					S	KING	\$0	\$37,829	\$0
Joint	05/28/15					S	KNOP	\$0	\$115,601	\$0
Individual	05/28/15					B	YOKU	\$27,456	\$0	\$0
Joint	05/28/15					B	KNOP	\$118,800	\$0	\$0
Joint	05/28/15					B	YOKU	\$27,420	\$0	\$0
	06/02/15	N	\$67,836	\$73,530	\$1,870					

**Unauthorized Trades in the Individual Account of MN and
Joint Account of MN and DN**

Account	Date	Call Identified	Total Net Bought (Per Day)	Total Net Sold (Per Day)	Total Comm / SC (Per Day)	B/S	Symb	Net Dollar Bought	Net Dollar Sold	Total Comm / SC
Individual	06/02/15					S	KING	\$0	\$36,762	\$0
Joint	06/02/15					S	KING	\$0	\$36,768	\$0
Individual	06/02/15					B	YOKU	\$33,918	\$0	\$935
Joint	06/02/15					B	YOKU	\$33,918	\$0	\$935
	06/03/15	N	\$103,500	\$203,076	\$0					
Joint	06/03/15					S	ACAD	\$0	\$103,565	\$0
Joint	06/03/15					S	FGP	\$0	\$99,511	\$0
Joint	06/03/15					B	FGP	\$103,500	\$0	\$0
	06/11/15	N	\$101,575	\$42,042	\$2,000					
Joint	06/11/15					S	SALT	\$0	\$42,042	\$0
Joint	06/11/15					B	SALT	\$42,375	\$0	\$0
Joint	06/11/15					B	TTWO	\$59,200	\$0	\$2,000
	07/28/15	N	\$142,332	\$128,273	\$6,125					
Individual	07/28/15					S	YOKU	\$0	\$29,574	\$0
Joint	07/28/15					S	YOKU	\$0	\$98,698	\$0
Individual	07/28/15					B	RPD	\$37,743	\$0	\$1,620
Joint	07/28/15					B	AVG	\$60,129	\$0	\$2,600
Joint	07/28/15					B	HALO	\$25,225	\$0	\$1,080
Joint	07/28/15					B	NVAX	\$19,235	\$0	\$825
	08/04/15	N	\$40,800	\$113,662	\$0					
Joint	08/04/15					S	BBG	\$0	\$22,450	\$0
Joint	08/04/15					S	HOLX	\$0	\$40,932	\$0
Joint	08/04/15					S	NVAX	\$0	\$17,561	\$0
Joint	08/04/15					S	RAS	\$0	\$32,718	\$0
Joint	08/04/15					B	HOLX	\$40,800	\$0	\$0
	08/05/15	N	\$42,901	\$83,893	\$2,690					
Individual	08/05/15					S	TROV	\$0	\$21,100	\$300
Joint	08/05/15					S	BBG	\$0	\$20,566	\$450
Joint	08/05/15					S	TROV	\$0	\$28,233	\$400
Joint	08/05/15					S	TWTR	\$0	\$13,995	\$200
Joint	08/05/15					B	RPD	\$42,901	\$0	\$1,340
	08/06/15	N	\$53,910	\$0	\$2,310					
Individual	08/06/15					B	TCK	\$23,111	\$0	\$990
Joint	08/06/15					B	TCK	\$30,798	\$0	\$1,320
	08/07/15	N	\$23,206	\$20,910	\$900					
Joint	08/07/15					S	HALO	\$0	\$20,910	\$0
Joint	08/07/15					B	TCK	\$23,206	\$0	\$900
	08/12/15	N	\$0	\$233,902	\$700					
Individual	08/12/15					S/S	AVP	\$0	\$11,631	\$100
Individual	08/12/15					S	RPD	\$0	\$30,929	\$100
Individual	08/12/15					S	TCK	\$0	\$20,972	\$100
Joint	08/12/15					S	AVG	\$0	\$48,429	\$100
Joint	08/12/15					S	RPD	\$0	\$41,392	\$100
Joint	08/12/15					S	TCK	\$0	\$48,989	\$100
Joint	08/12/15					S	TROV	\$0	\$31,559	\$100
	08/18/15	N	\$0	\$24	\$0					
Individual	08/18/15					S	MJNA	\$0	\$23	\$0
Individual	08/18/15					S	SPLM	\$0	\$1	\$0

Unauthorized Trades in the Account of KK

Date	Call Identified	Net Bought (Per Day)	Net Sold (Per Day)	Total Comm / SC (Per Day)	B/S	Symb	Net Dollar Bought	Net Dollar Sold	Total Comm / SC
01/02/15	N	\$0	\$87,703	\$0					
01/02/15					S	FEYE	\$0	\$87,703	\$0
01/20/15	N	\$0	\$78,373	\$25					
01/20/15					S	NXPI	\$0	\$78,373	\$25
01/27/15	N	\$90,361	\$0	\$3,220					
01/27/15					B	TASR	\$58,511	\$0	\$2,520
01/27/15					B	TSEM	\$31,850	\$0	\$700
01/28/15	N	\$0	\$32,455	\$0					
01/28/15					S	TSEM	\$0	\$32,455	\$0
02/10/15	N	\$150,962	\$120,701	\$750					
02/10/15					S	RRMS	\$0	\$120,701	\$0
02/10/15					B	GIMO	\$30,002	\$0	\$750
02/10/15					B	RRMS	\$120,960	\$0	\$0
02/13/15	N	\$62,200	\$93,653	\$100					
02/13/15					S	CQP	\$0	\$61,699	\$0
02/13/15					S	GIMO	\$0	\$31,954	\$100
02/13/15					B	CQP	\$62,200	\$0	\$0
02/17/15	N	\$50,297	\$0	\$1,000					
02/17/15					B	CVEO	\$50,297	\$0	\$1,000
02/23/15	N	\$0	\$59,928	\$150					
02/23/15					S	BBG	\$0	\$40,686	\$100
02/23/15					S	TASR	\$0	\$19,242	\$50
02/24/15	N	\$124,237	\$0	\$4,525					
02/24/15					B	QLGC	\$53,315	\$0	\$1,925
02/24/15					B	TRUE	\$70,923	\$0	\$2,600
02/26/15	N	\$0	\$75,049	\$100					
02/26/15					S	TRUE	\$0	\$75,049	\$100
02/27/15	N	\$37,500	\$32,414	\$0					
02/27/15					S	CVSL	\$0	\$32,414	\$0
02/27/15					B	CVSL	\$37,500	\$0	\$0
03/04/15	N	\$49,801	\$0	\$1,680					
03/04/15					B	BAS	\$49,801	\$0	\$1,680
03/10/15	N	\$63,750	\$36,554	\$0					
03/10/15					S	GAIN	\$0	\$36,554	\$0
03/10/15					B	CLMT	\$26,750	\$0	\$0
03/10/15					B	GAIN	\$37,000	\$0	\$0
03/12/15	N	\$41,675	\$24,564	\$0					
03/12/15					S	CLMT	\$0	\$24,564	\$0
03/12/15					B	LMOS	\$41,675	\$0	\$0
03/13/15	N	\$51,159	\$107,607	\$825					
03/13/15					S	BAS	\$0	\$15,856	\$0
03/13/15					S	LMOS	\$0	\$39,213	\$0
03/13/15					S	QLGC	\$0	\$52,538	\$25
03/13/15					B	RKUS	\$51,159	\$0	\$800
03/16/15	N	\$0	\$7,781	\$0					
03/16/15					S	BAS	\$0	\$7,781	\$0
03/24/15	N	\$51,716	\$50,166	\$1,025					
03/24/15					S	RKUS	\$0	\$50,166	\$25

Unauthorized Trades in the Account of KK

Date	Call Identified	Net Bought (Per Day)	Net Sold (Per Day)	Total Comm / SC (Per Day)	B/S	Symb	Net Dollar Bought	Net Dollar Sold	Total Comm / SC
03/24/15					B	TWTR	\$51,716	\$0	\$1,000
03/26/15	N	\$51,664	\$56,730	\$2,425					
03/26/15					S	BAS	\$0	\$13,991	\$200
03/26/15					S	HAL	\$0	\$42,739	\$500
03/26/15					B	GPRO	\$51,664	\$0	\$1,725
04/07/15	N	\$44,420	\$44,055	\$0					
04/07/15					S	GEL	\$0	\$44,055	\$0
04/07/15					B	GEL	\$44,420	\$0	\$0
04/08/15	N	\$54,960	\$0	\$0					
04/08/15					B	CPTA	\$54,960	\$0	\$0
04/14/15	N	\$49,279	\$53,949	\$1,890					
04/14/15					S	CPTA	\$0	\$53,949	\$0
04/14/15					B	BAC	\$49,279	\$0	\$1,890
04/16/15	N	\$155,644	\$138,415	\$1,950					
04/16/15					S	CPLP	\$0	\$84,368	\$0
04/16/15					S	FCS	\$0	\$30,097	\$50
04/16/15					S	TZOO	\$0	\$23,950	\$400
04/16/15					B	CPLP	\$85,770	\$0	\$0
04/16/15					B	GE	\$69,874	\$0	\$1,500
04/17/15	N	\$71,923	\$67,874	\$1,410					
04/17/15					S	GE	\$0	\$67,874	\$0
04/17/15					B	HAL	\$71,923	\$0	\$1,410
04/20/15	N	\$77,120	\$71,310	\$1,840					
04/20/15					S	HAL	\$0	\$71,310	\$0
04/20/15					B	JAKK	\$19,826	\$0	\$560
04/20/15					B	UA	\$57,295	\$0	\$1,280
04/21/15	N	\$56,000	\$108,933	\$0					
04/21/15					S	BAM	\$0	\$55,499	\$0
04/21/15					S	UA	\$0	\$53,435	\$0
04/21/15					B	BAM	\$56,000	\$0	\$0
04/22/15	N	\$37,386	\$18,933	\$1,224					
04/22/15					S	JAKK	\$0	\$18,933	\$0
04/22/15					B	MRGE	\$18,673	\$0	\$704
04/22/15					B	SQNM	\$18,712	\$0	\$520
04/23/15	N	\$46,121	\$50,699	\$2,250					
04/23/15					S	TWTR	\$0	\$50,699	\$500
04/23/15					B	TROV	\$46,121	\$0	\$1,750
04/24/15	N	\$31,280	\$0	\$1,050					
04/24/15					B	STNG	\$31,280	\$0	\$1,050
04/27/15	N	\$89,450	\$49,048	\$3,150					
04/27/15					S	SQNM	\$0	\$17,849	\$0
04/27/15					S	STNG	\$0	\$31,199	\$0
04/27/15					B	AVP	\$37,850	\$0	\$1,400
04/27/15					B	BBG	\$51,600	\$0	\$1,750
04/29/15	N	\$45,140	\$54,913	\$1,025					
04/29/15					S	BBG	\$0	\$54,913	\$25
04/29/15					B	SEE	\$45,140	\$0	\$1,000
04/30/15	N	\$41,770	\$45,891	\$1,600					

Unauthorized Trades in the Account of KK

Date	Call Identified	Net Bought (Per Day)	Net Sold (Per Day)	Total Comm / SC (Per Day)	B/S	Symb	Net Dollar Bought	Net Dollar Sold	Total Comm / SC
04/30/15					S	SEE	\$0	\$45,891	\$0
04/30/15					B	BAS	\$41,770	\$0	\$1,600
05/08/15	N	\$0	\$50,330	\$630					
05/08/15					S	BAS	\$0	\$18,757	\$0
05/08/15					S	TROV	\$0	\$31,574	\$630
05/11/15	N	\$74,675	\$74,574	\$0					
05/11/15					S	HLT	\$0	\$74,574	\$0
05/11/15					B	HLT	\$74,675	\$0	\$0
05/12/15	N	\$34,364	\$0	\$1,216					
05/12/15					B	WIFI	\$34,364	\$0	\$1,216
05/14/15	N	\$0	\$41,683	\$500					
05/14/15					S	BAS	\$0	\$19,513	\$100
05/14/15					S	TROV	\$0	\$22,170	\$400
05/15/15	N	\$61,943	\$16,320	\$1,617					
05/15/15					S	FTAI	\$0	\$16,320	\$0
05/15/15					B	CSIQ	\$44,893	\$0	\$1,617
05/15/15					B	FTAI	\$17,050	\$0	\$0
05/18/15	N	\$0	\$10,187	\$0					
05/18/15					S	WIFI	\$0	\$10,187	\$0
05/19/15	N	\$57,890	\$62,719	\$1,000					
05/19/15					S	ARP	\$0	\$23,050	\$0
05/19/15					S	CSIQ	\$0	\$39,669	\$0
05/19/15					B	ARP	\$23,960	\$0	\$0
05/19/15					B	SGEN	\$33,930	\$0	\$1,000
05/21/15	N	\$39,525	\$34,353	\$1,350					
05/21/15					S	SGEN	\$0	\$34,353	\$100
05/21/15					B	KING	\$39,525	\$0	\$1,250
05/22/15	N	\$22,789	\$23,204	\$1,166					
05/22/15					S	WIFI	\$0	\$23,204	\$266
05/22/15					B	TROV	\$22,789	\$0	\$900
05/26/15	N	\$37,966	\$33,035	\$620					
05/26/15					S	AVP	\$0	\$13,490	\$200
05/26/15					S	LOAN	\$0	\$19,546	\$0
05/26/15					B	LOAN	\$19,755	\$0	\$0
05/26/15					B	YOKU	\$18,211	\$0	\$420
05/28/15	N	\$59,400	\$60,317	\$0					
05/28/15					S	KING	\$0	\$37,825	\$0
05/28/15					S	TROV	\$0	\$22,492	\$0
05/28/15					B	KNOP	\$59,400	\$0	\$0
05/29/15	N	\$28,340	\$58,699	\$1,000					
05/29/15					S	KNOP	\$0	\$58,699	\$0
05/29/15					B	YOKU	\$28,340	\$0	\$1,000
06/04/15	N	\$23,475	\$22,586	\$0					
06/04/15					S	OXLC	\$0	\$22,586	\$0
06/04/15					B	OXLC	\$23,475	\$0	\$0
06/16/15	N	\$16,506	\$16,651	\$470					
06/16/15					S	YOKU	\$0	\$16,651	\$0
06/16/15					B	INVN	\$16,506	\$0	\$470

Unauthorized Trades in the Account of KK

Date	Call Identified	Net Bought (Per Day)	Net Sold (Per Day)	Total Comm / SC (Per Day)	B/S	Symb	Net Dollar Bought	Net Dollar Sold	Total Comm / SC
06/22/15	N	\$0	\$15,550	\$100					
06/22/15					S	INVN	\$0	\$15,550	\$100
07/06/15	N	\$0	\$26,913	\$0					
07/06/15					S	AVP	\$0	\$12,211	\$0
07/06/15					S	MRGE	\$0	\$14,702	\$0
07/17/15	N	\$0	\$14,447	\$0					
07/17/15					S	YOKU	\$0	\$14,447	\$0
07/20/15	N	\$0	\$6,037	\$0					
07/20/15					S	YOKU	\$0	\$6,037	\$0
08/11/15	N	\$41,400	\$0	\$0					
08/11/15					B	QTS	\$41,400	\$0	\$0
08/13/15	N	\$0	\$40,776	\$0					
08/13/15					S	QTS	\$0	\$40,776	\$0