

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. 2016052559401

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

RE: Michael L. Oromaner, Respondent
General Securities Representative
CRD No. 2857559

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Michael L. Oromaner ("Respondent") 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 herein.

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

Respondent entered the securities industry in February 1997 and has been registered with FINRA as a General Securities Representative through his association with various FINRA member firms, including the following: from November 2009 to January 2014, Respondent was associated with Brookville Capital Partners Inc. ("Brookville Capital"); from January 2014 to January 2015, Respondent was associated with Legend Securities, Inc. ("Legend"); from January 2015 to March 2016, Respondent was associated with Avenir Financial Group ("Avenir"); from March 2016 to September 2016, Respondent was associated with Salomon Whitney Financial ("Salomon Whitney"); and from October 2016 to January 2017, Respondent was associated with Cova Capital Partners LLC ("Cova Capital"). Respondent remained associated with Cova Capital until January 27, 2017.

Respondent is not currently registered or associated with a FINRA member firm. Pursuant to Article V, Section 4 of FINRA's By-Laws, however, FINRA retains jurisdiction over him.

RELEVANT DISCIPLINARY HISTORY

In May 2010, Respondent consented to the entry of an AWC (2008014475901) that included findings that he failed to execute a customer's stop loss instructions for six transactions in violation of NASD Rule 2110. Respondent was suspended from associating with any FINRA member in any capacity for 10 business days and fined \$5,000.

OVERVIEW

While associated with Brookville Capital, Respondent exercised discretion in a customer's account without written authorization from the customer or his firm's approval in violation of NASD Rule 2510(b) and FINRA Rule 2010.

While associated with Legend, Respondent engaged in unauthorized and excessive trading in a customer's account in violation of FINRA Rules 2111 and 2010.

Finally, while associated with Legend, Avenir, Salomon Whitney and Cova Capital, Respondent excessively traded a customer's account in violation of FINRA Rules 2111 and 2010.

FACTS AND VIOLATIVE CONDUCT

Discretionary Trading in Customer FW's Account

NASD Rule 2510(b) provides that registered representatives may not exercise discretionary power in a customer's account unless the customer has given prior written authorization and the account has been accepted by the member firm in writing as a discretionary account.

FINRA Rule 2010 provides that "[a] member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade."

Between November 26, 2012 and May 31, 2013, while associated with Brookville, Respondent exercised discretion in the account of customer FW in connection with 41 transactions. Respondent failed to obtain prior written authorization from FW to exercise discretion in FW's account and Brookville did not approve the account for discretionary trading.

By virtue of the foregoing, Respondent violated NASD Rule 2510(b) and FINRA Rule 2010.

Unauthorized and Excessive Trading in Customer GM's Account

FINRA Rule 2111(a) provides: "A member or an associated person must have a reasonable basis to believe that a recommended transaction or investment strategy involving a security or securities is suitable for the customer, based on the information obtained through the reasonable diligence of the member or associated person to ascertain the customer's investment profile."

Supplementary Material 2111.05(c) states: "Quantitative suitability requires a member or 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, as delineated in Rule 2111(a). No single test defines excessive activity, but factors such as the turnover rate, the cost-equity ratio, and the use of in-and-out trading in a customer's account may provide a basis for a finding that a member or associated person has violated the quantitative suitability obligation." In addition, unauthorized trading in a customer's account, that is, transactions executed without the customer's prior knowledge or consent, violates FINRA Rule 2010.

Between February 24, 2014 and November 5, 2014, while associated with Legend, Respondent effected 67 unauthorized trades in customer GM's account without GM's authorization, knowledge or consent.

In addition, Respondent engaged in quantitatively unsuitable trading in GM's account resulting in a turnover rate of 48.51 and a cost-to-equity ratio of 145.46%. As a result of this excessive and unsuitable trading, GM's account sustained losses of approximately \$32,550 and GM paid approximately \$28,129 in commissions.

By virtue of the foregoing, Respondent violated FINRA Rules 2111 and 2010.

Excessive Trading in Customer JM's Accounts

Between May 1, 2014 and January 27, 2017, while associated with several different member firms, Respondent excessively traded the accounts of customer JM. Specifically:

- Between May 1, 2014 and January 5, 2015, while associated with Legend, Respondent excessively traded JM's two personal accounts and customer JM's business account resulting in a combined turnover rate of 29.3 and a cost-to-equity ratio of 66.54%.
- Between January 8, 2015 and March 12, 2016, while associated with Avenir, Respondent excessively traded JM's business account resulting in

a turnover rate of 83.3 and a cost-to-equity ratio of 147.25%.

- Between March 15, 2016 and September 28, 2016, while associated with Salomon Whitney, Respondent excessively traded JM's business account resulting in a turnover rate of 56 and a cost-to-equity ratio of 63.48%.
- Between October 10, 2016 and January 27, 2017, while associated with Cova Capital, Respondent excessively traded JM's business account resulting in a turnover rate of 13.1 and a cost-to-equity ratio of 16.6%.

As a result of Respondent's excessive trading in JM's accounts, JM suffered collective losses of \$27,608 and JM paid over \$400,000 in commissions and fees.

By virtue of the foregoing, Respondent violated FINRA Rules 2111 and 2010.

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

- A two-year suspension from association with any FINRA member in any capacity;
- A fine of \$25,000;
- Restitution to customer GM in the amount of \$32,550, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from November 5, 2014, until the date of payment; and
- Restitution to customer JM in the amount of \$27,608, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from January 27, 2017, until the date of payment.

Respondent understands that if Respondent is barred or suspended from associating with any FINRA member, Respondent 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 any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The fine shall be due and payable either immediately upon re-association with a member firm, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

Restitution amounts ordered, pursuant to this disciplinary action, are due and payable immediately upon re-association with a member firm, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier. The imposition of a restitution order or any other monetary sanction herein, and the timing of such ordered payments, does not preclude customers from pursuing their own actions

to obtain restitution or other remedies. If for any reason Respondent cannot locate any customer [identified in Attachment A] after reasonable and documented efforts within such period, or such additional period agreed to by the staff, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property, or abandoned property fund for the state in which the customer is last known to have resided.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff

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 Respondent;
- 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 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 prejudice 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 acceptance or rejection of this AWC.

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.

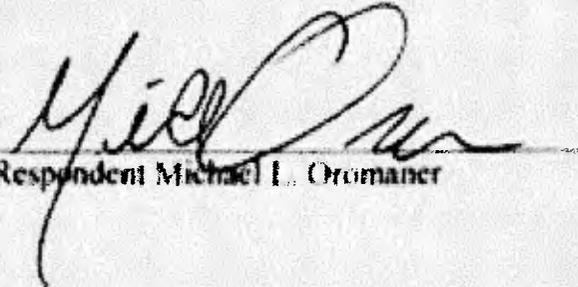
OTHER MATTERS

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 actions 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 the subject matter thereof 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 my: (i) testimonial obligations; or (ii) 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 or its staff.

Respondent certifies that Respondent has read and understands all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that Respondent understands and acknowledges that FINRA does not represent or advise Respondent and Respondent cannot rely on FINRA or FINRA staff members for legal advice; that Respondent has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce Respondent to submit it.

10/19/17
Date (mm/dd/yyyy)


Respondent Michael L. Oromaner

Accepted by FINRA:

11/20/17
Date

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


Ralph Delouis, Regional Counsel
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