

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2017055701001**

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

RE: Ian Greenblatt a/k/a "Eric Green"
CRD No. 2276966

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Ian Greenblatt, a/k/a "Eric Green" ("Greenblatt" or "Respondent") submit 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 me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, 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

Greenblatt first became registered as a General Securities Representative in October 1992 and became registered as an Investment Banking Representative in April 2010. Greenblatt worked with several FINRA member firms prior to joining Capitol Securities Management, Inc. (CRD No. 14169) ("CSMI") in October 2012. Greenblatt is currently registered in the above-mentioned capacities through CSMI.

RELEVANT DISCIPLINARY HISTORY

Greenblatt has no relevant formal disciplinary history with the Securities and Exchange Commission, FINRA, any other self-regulatory organization, or any state securities regulator.

OVERVIEW

In March 2016, Greenblatt settled a customer complaint away from his employer member firm, in violation of FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

In early 2016, Greenblatt's customers AF and BF, a married couple, became dissatisfied with the performance of their brokerage account. AF and BF had been customers of Greenblatt for approximately eight years, but in 2015 and 2016 their account had declined in value by over \$170,000.

In March 2016, AF verbally complained to Greenblatt about his management of AF and BF's brokerage account and the losses they incurred. Greenblatt did not report AF's complaint to CSMI.

Greenblatt met with AF and BF at their home on March 25, 2016 to discuss their complaint. At that meeting, Greenblatt wrote a personal check in the amount of \$46,000 payable to FF, the son of AF and BF (who is not a customer of Greenblatt or CSMI) in settlement of AF's complaint. Greenblatt also gave them \$4,000 in cash at the meeting.

During the meeting, Greenblatt, AF, and BF agreed that Greenblatt would attempt to generate trading profits to recoup the losses suffered by AF and BF in their brokerage account. Accordingly, AF wrote a \$46,000 check payable to CSMI's clearing firm. Greenblatt, AF, and BF further agreed that once the \$46,000 check from Greenblatt to FF cleared, the proceeds would be deposited into AF and BF's checking account, and then the check written by AF would be deposited into AF and BF's brokerage account via the clearing firm. Although Greenblatt deposited AF's \$46,000 check into AF and BF's brokerage account, as agreed, Greenblatt was unable to recover the losses that AF and BF had suffered, and AF and BF filed an arbitration against Greenblatt in August 2017.

FINRA Rule 2010 requires registered representatives to "observe high standards of commercial honor and just and equitable principles of trade." Settling a customer complaint without the knowledge or approval of a registered representative's employer member firm is conduct inconsistent with just and equitable principles of trade.

By virtue of the foregoing, Greenblatt violated FINRA Rule 2010.

B. I also consent to the imposition of the following sanctions:

- A suspension from association with any FINRA member in any and all capacities for a period of 30 calendar days; and
- A \$10,000 fine.

I agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. I have submitted an Election of Payment form showing the method by which I propose to pay the fine imposed.

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

I understand that if I am barred or suspended from associating with any FINRA member, I become 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, I 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 sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- 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, I specifically and voluntarily waive 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.

I further specifically and voluntarily waive 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.

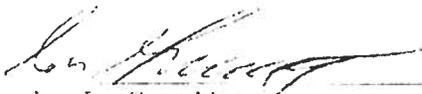
OTHER MATTERS

I understand that:

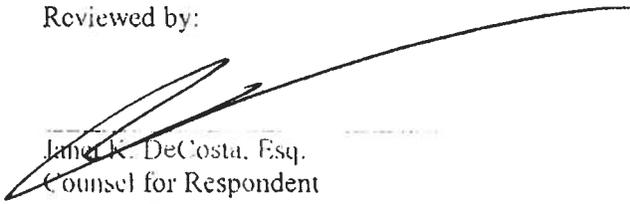
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 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. I 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. I 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. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I 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.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have 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 me to submit it.

09/07/2018
Date (mm/dd/yyyy)


Respondent Ian Greenblatt ✓

Reviewed by:



Janet K. DeCosta, Esq.
Counsel for Respondent
Janet K. DeCosta, P.C.
1875 I Street, N.W., Suite 500
Washington, DC 20006
Tel.: (202) 638-3344
Fax: (202) 824-8126
Email: jkdecosta@jkdecosta.com

Accepted by FINRA:

September 21, 2018
Date

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


Karen C. Daly
Principal Counsel
FINRA Department of Enforcement
1601 Market Street, Suite 2700
Philadelphia, PA 19103
Tel.: (215) 209-7090
Fax: (215) 496-0434
Email: karen.daly@finra.org