

FD-20190517-2108

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2019061661601**

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

RE: John Joseph Cahill, Respondent
General Securities Representative
CRD No. 1240551

Pursuant to FINRA Rule 9216 of FINRA’s Code of Procedure, Respondent John Joseph Cahill (“Cahill” or “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

Cahill entered the securities industry in November 1983 and, since then, has been associated with four different FINRA-regulated broker-dealers as a General Securities Representative (“GSR”).

In October 2013, Cahill became associated with Janney Montgomery Scott LLC (“Janney” or the “Firm”), a FINRA-regulated broker-dealer, as a GSR. In a Uniform Termination Notice for Securities Industry Registration (“Form U5”) dated March 5, 2019, the Firm reported Cahill’s termination for failing to report his fiduciary relationship with a former client. In an Amended Form U5 dated March 8, 2019, the Firm reported its internal review of Cahill’s receipt of funds while acting as power-of-attorney for a former client.

Although Cahill is not currently associated with a FINRA-regulated broker-dealer, he remains subject to FINRA’s jurisdiction pursuant to Article V, Section 4 of FINRA’s By-Laws.

RELEVANT DISCIPLINARY HISTORY

Cahill does not have any disciplinary history with the Securities and Exchange Commission, any state securities regulators, FINRA, or any other self-regulatory organization.

OVERVIEW

In December 2019, Cahill violated FINRA Rules 8210 and 2010 by refusing to provide documents and information and on-the-record testimony requested pursuant to FINRA Rule 8210 in connection with FINRA's Department of Enforcement ("Enforcement") investigation concerning Cahill's potential commingling and/or conversion of funds belonging to an elderly individual who was Cahill's customer at his prior FINRA member firm employer.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 8210(a)(1) and (2) state, in relevant part, that FINRA has the right to "require a ... person associated with a member, or any other person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically ... and to testify at a location specified by FINRA staff, under oath or affirmation ... with respect to any matter involved in the investigation, complaint, examination or proceeding." FINRA Rule 8210(c) provides that "[n]o member or person shall fail to provide information or testimony ... pursuant to this Rule."

A failure to comply with requests for documents and information or testimony pursuant to FINRA Rule 8210 is also a violation of FINRA Rule 2010, which requires associated persons to "observe high standards of commercial honor and just and equitable principles of trade."

Following Cahill's termination by the Firm, Enforcement commenced an investigation into allegations that Cahill commingled and/or converted funds belonging to, and served as power-of-attorney for, an elderly individual who was Cahill's customer while he was associated with his former FINRA member firm employer. On November 1, 2019, Enforcement sent Cahill a letter pursuant to FINRA Rule 8210 (the "Rule 8210 Request") requesting the production of documents and information by November 15, 2019, and that Cahill appear and provide on-the-record testimony on December 6, 2019. The Rule 8210 Request informed Cahill that a failure to produce the requested documents and information or appear for on-the-record testimony constitutes a violation of FINRA Rule 8210 exposing him to sanctions, including a bar from the securities industry.

As stated in his counsel's letter to Enforcement dated November 18, 2019, Cahill acknowledges that he received the Rule 8210 Request and will not produce the requested documents and information or appear for on-the-record testimony at any time.

By refusing to produce the documents and information and to appear and provide testimony as requested pursuant to FINRA Rule 8210, Cahill violated FINRA Rules 8210 and 2010.

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

A bar from association with any FINRA member in any capacity.

Respondent understands that if he is barred or suspended from associating with any FINRA member, 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, he 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. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

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 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 me;

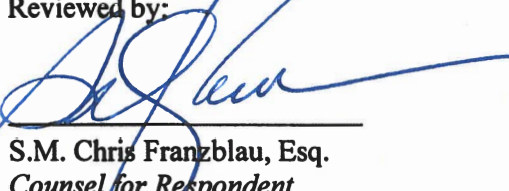
2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
4. Respondent may not take any action or make or permit 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: (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.

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 its provisions voluntarily; and 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 him to submit this AWC.

12/11/2019
Date (mm/dd/yyyy)


John Joseph Cahill, Respondent

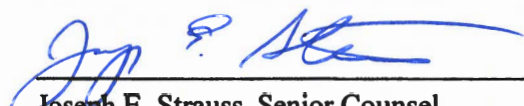
Reviewed by:


S.M. Chris Franzblau, Esq.
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Livingston, New Jersey 07039-0472
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Accepted by FINRA:

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

1/2/2020
Date


Joseph E. Strauss, Senior Counsel
FINRA Department of Enforcement
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New York, NY 10281