

Disciplinary and Other FINRA Actions

Firms Fined, Individuals Sanctioned

Merrimac Corporate Securities, Inc. (CRD® #35463, Altamonte Springs, Florida) and Robert G. Nash (CRD #718820, Deltona, Florida)

June 28, 2017 – A National Adjudicatory Council (NAC) Decision became final in which the firm was fined a total of \$225,000, suspended from membership with FINRA® for 30 days, prohibited for one year from receiving and liquidating penny stocks, and required to retain an independent consultant to review and approve its procedures. Nash was fined a total of \$50,000, suspended from associating with any FINRA member in any principal capacity for one year for submitting falsified documents to FINRA, suspended from association with any FINRA member in any principal capacity for one year for his supervisory violations, and required to requalify as a general securities principal. The suspensions are to run concurrently.

The NAC affirmed the findings and sanctions imposed by an Office of Hearing Officers (OHO) Decision. The sanctions were based on findings that in response to FINRA’s requests for documents, the firm and Nash knowingly provided falsified Deposit Securities Request Forms (DSR Forms)—a customer questionnaire regarding the source of the penny stock and its registration status—to FINRA that falsely reflected that various penny stock transactions had been reviewed by the firm’s supervisory and compliance personnel, when in fact no supervisory review had occurred. Neither Nash nor anyone else on the firm’s behalf ever notified FINRA that the responses contained falsified DSR Forms. The falsification of the DSR Forms caused penny stock deposits by the firm’s customers to avoid any supervisory review. The lack of an effective supervisory review contributed to the firm’s sales of unregistered penny stock into the market. As a result, the firm sold unregistered securities in contravention of Section 5 of the Securities Act of 1933.

The findings also stated that the firm failed to develop and implement adequate AML policies and procedures to monitor, detect and cause the reporting of suspicious activity. Not only were the firm’s policies and procedures inadequate, the firm failed to implement them in at least three ways. First, registered representatives obtained pre-signed, blank DSR Forms from their customers. Second, the firm failed to consistently and timely identify and document suspicious penny stock activity. Third, the firm failed to identify customers with regulatory disciplinary histories. The findings also included that the firm and Nash failed to establish and maintain a reasonable supervisory system, including WSPs, for the activities of and the business transacted by the firm. As a result, the firm failed to supervise two representatives’ participation in private securities transactions, failed to supervise penny stock transactions and DSR Forms, failed to supervise websites of its Chief Executive Officer (CEO),

Reported for August 2017

FINRA has taken disciplinary actions against the following firms and individuals for violations of FINRA rules; federal securities laws, rules and regulations; and the rules of the Municipal Securities Rulemaking Board (MSRB).

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and failed to timely establish procedures for foreign finders. Nash failed to reasonably supervise the firm's penny stock deposits and related DSR forms, establish procedures clearly identifying websites as advertising material, and timely establish reasonable procedures for the firm's utilization of foreign finders. FINRA found that the firm effected securities transactions while its registration with FINRA was suspended for the failure to pay its annual registration fee. During that period, the firm effected more than 750 securities transactions.

Due to the firm's expulsion in a separate matter, the firm's suspension and prohibition are moot. Nash's suspension is in effect from July 17, 2017, through July 17, 2018. ([FINRA Case #2011027666902](#))

Hilltop Securities Independent Network Inc. fka SWS Financial Services, Inc. ([CRD #17587](#), Dallas, Texas) and Douglas Lee Hodges ([CRD #4253217](#), Celina, Texas)

June 28, 2017 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured, fined \$40,000 and required to pay \$5,329.75, plus interest, in restitution to customers. Hodges was fined \$5,000 and suspended from association with any FINRA® member in any principal capacity for 15 business days. Without admitting or denying the findings, the firm and Hodges consented to the sanctions and to the entry of findings that the firm failed to reasonably supervise a registered representative's unsuitable investment recommendations to customers, while acting through Hodges, its regional Office of Supervisory Jurisdiction manager. The findings stated that the firm representative engaged in unsuitable short-term trading and switching in open-end mutual funds and/or unit investment trusts (UITs) in four different customer accounts, and engaged in unsuitable trading in closed-end funds in two of the four customers' accounts. Three of the four investors lost a total of \$5,329.75 as a result of the representative's unsuitable trading activity. In seven instances, the firm, acting through Hodges, failed to obtain required switch letters from the representative for certain open-end mutual fund and/or UITs transactions that the representative had executed in customer accounts. Even when the representative submitted required switch letters, the firm and Hodges failed to follow-up on "red flags" in the submitted letters. Hodges did not document his reviews by completing an active account review form or making notations in the compliance software system as required by the firm's written supervisory procedures (WSPs).

The findings also stated that the firm failed to establish, maintain, and enforce a reasonable supervisory system to detect and prevent unsuitable short-term trading and/or switching of open-end mutual funds and UITs, and unsuitable trading in closed-end funds in customer accounts. The parameters of the firm's automated compliance software system were too limited to detect unsuitable trading, and the volume of transactions being manually reviewed by individual supervisors was too high for the supervisor to be able to reasonably detect patterns and trends of possible unsuitable trading activity.

The suspension was in effect from July 17, 2017, through August 4, 2017. ([FINRA Case #2013034954002](#))

Firms Fined

Global Strategic Investments, LLC ([CRD #117028](#), Miami, Florida)

June 1, 2017 – An AWC was issued in which the firm was censured, fined \$65,000, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that under its GSRI Market Participant Identifier (MPID), the firm reported to the Trade Reporting and Compliance Engine® (TRACE®) S1 transactions in TRACE-eligible corporate debt securities that it was not required to report. The findings stated that under its GSIL MPID, the firm failed to report to TRACE S1 transactions in TRACE-eligible corporate debt securities that it was required to report. Under its GSRI MPID, the firm failed to report to TRACE S1 transactions in TRACE-eligible corporate debt securities within 15 minutes of the execution time, and failed to report to TRACE the correct trade execution time for S1 transactions in TRACE-eligible corporate debt securities. The findings also stated that the firm failed to provide documentary evidence that it performed the supervisory reviews set forth in its WSPs concerning trade reporting in TRACE-eligible securities. The findings also included that the firm sold (bought) corporate bonds to (from) customers and failed to sell (buy) such bonds at a price that was fair, taking into consideration all relevant circumstances, including market conditions with respect to each bond at the time of the transaction, the expense involved and that the firm was entitled to a profit. The firm has offered or made restitution to affected customers.

FINRA found that the firm failed to report to TRACE transactions in TRACE-eligible securities. Specifically, the firm improperly reported 48 customer transactions as 10 block transaction reports; reported 27 transactions to TRACE with inaccurate information regarding capacity, execution time, price, size, perspective, contra party, and/or cancellation; failed to report seven transactions to TRACE; and reported four transactions to TRACE that it was not required to report. FINRA also found that the firm failed to maintain a supervisory system reasonably designed to ensure complete and accurate reporting of transactions to TRACE. Additionally, the firm failed to enforce its WSPs, in that the firm did not fully apply its procedures to include the review of reported transactions with customers. ([FINRA Case #2010025215101](#))

Joe Jolly & Co., Inc. ([CRD #7170](#), Birmingham, Alabama)

June 1, 2017 – An AWC was issued in which the firm was censured and fined \$10,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it erroneously reported municipal securities transactions to the real-time-transaction reporting system (RTRS) and failed to report new issue municipal securities transactions to the Municipal Securities Rule Making Board's (MSRB) RTRS. The findings also stated that the firm failed to establish, maintain and enforce WSPs that were reasonably designed to achieve compliance with its trade reporting obligations. ([FINRA Case #2015043295401](#))

KeyBanc Capital Markets Inc. ([CRD #566](#), Cleveland, Ohio)

June 1, 2017 – An AWC was issued in which the firm was censured, fined \$35,000, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it submitted late and inaccurate interest rate reset information for Variable Rate Demand Obligation securities to the MSRB Short-Term Obligation Rate Transparency (SHORT) System as required by MSRB Rule G-34. The findings stated that more specifically, the firm, as the Remarketing Agent for separate Committee on Uniform Security Identification Procedures (CUSIPs), submitted interest rate reset information on a different week day than the one specified in the Trust Indenture or Official Statement, and in separate instances, double-reported an interest-rate reset to the SHORT System. The findings also stated that the firm’s supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and MSRB rules, concerning the accuracy of its submissions to the MSRB’s SHORT System. ([FINRA Case #2014043209501](#))

Oppenheimer & Co. Inc. ([CRD #249](#), New York, New York)

June 1, 2017 – An AWC was issued in which the firm was censured, fined \$20,000, and ordered to pay \$10,301.44, plus interest, in restitution to customers. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that, in six transactions, it purchased municipal securities for its own account from a customer and/or sold municipal securities for its own account to a customer at an aggregate price (including any mark-up or mark-down) that was not fair and reasonable, taking into consideration all relevant factors, including the best judgment of the broker, dealer or municipal securities dealer as to the fair market value of the securities at the time of the transaction and of any securities exchanged or traded in connection with the transaction; the expense involved in effecting the transaction; the fact that the broker, dealer, or municipal securities dealer is entitled to a profit; and the total dollar amount of the transaction. ([FINRA Case #2013038869101](#))

Edward D. Jones & Co., L.P. ([CRD #250](#), St. Louis, Missouri)

June 2, 2017 – An AWC was issued in which the firm was censured, fined \$210,000, and required to submit to FINRA satisfactory proof of an offer of rescission to each of the customers who purchased municipal securities at issue, or of reasonable and documented efforts undertaken to effect rescission, including the offered price and a description of how the offered price was determined. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it effected customer transactions in a municipal security in an amount lower than the minimum denomination of the issue which were not subject to an exception under MSRB Rule G-15(f). The findings stated that these transactions were concentrated in eight CUSIPs. Prior to this settlement, the firm offered rescission to each of the customers who purchased these securities. The findings also stated that the firm failed to provide the customer a written statement at or before completion of the transaction informing the customer that the quantity of securities being sold was below the minimum denomination for the issue.

The findings also included that the firm failed to disclose all material facts concerning municipal securities transactions at or prior to the time of the trade. Specifically, the firm failed to inform its customer that the municipal securities transaction was in an amount below the minimum denomination of the issue, or that the municipal securities contained a resale restriction that could affect the liquidity of the customer's position. ([FINRA Case #2015046579901](#))

Volant Liquidity, LLC ([CRD #150063](#), New York, New York)

June 2, 2017 – An AWC was issued in which the firm was censured and fined \$10,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to transmit 365,528 Reportable Order Events (ROEs) to the Order Audit Trail System (OATS™) (a 100 percent violation rate). ([FINRA Case #2016049224401](#))

Sal Equity Trading, GP fka Susquehanna Capital Group ([CRD #29337](#), Bala Cynwyd, Pennsylvania)

June 5, 2017 – An AWC was issued in which the firm was censured, fined \$32,500, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that during the month of June 2015, it transmitted 228,762 Combined Order/Route reports to OATS that contained inaccurate, incomplete or improperly formatted data. The findings stated that due to the firm's misunderstanding of the requirement to use the intermarket sweep order (ISO) Special Handling Code for inbound ISO orders, it failed to include the ISO Special Handling Code for new order events from approximately 2010, when the firm began receiving inbound ISOs, to April 2016, when the firm redressed the issue. The findings also stated that the firm's supervisory system did not provide for supervision reasonably designed to address the required use of the ISO Special Handling Code for inbound ISO orders. In particular, the firm's supervisory system failed to properly surveil for the proper use of the ISO Special Handling Code for inbound ISO orders, which contributed to the firm's omission of the Code for an extended period. ([FINRA Case #2015044231701](#))

Financial West Investment Group, Inc. ([CRD #16668](#), Westlake Village, California)

June 6, 2017 – An AWC was issued in which the firm was censured and fined \$20,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it acted as a placement agent for a contingent private offering of securities without using an escrow account for investor funds as required by Rule 15c2-4 of the Securities Exchange Act of 1934 and the firm's WSPs. The findings stated that the firm raised funds from investors during the offering without causing those funds to be deposited into the escrow account that had been established for it. Instead, the firm forwarded investor checks to the issuer that were deposited into the issuer's bank account or caused investor funds held in accounts at its clearing firm to be transferred to the issuer's bank account. With respect to contingent private placement offerings, the firm's WSPs required compliance with the escrow requirements of Rule 15c2-4, however, the firm did not enforce these procedures and as a result failed to comply with the rule. ([FINRA Case #2016049051501](#))

TD Ameritrade Clearing, Inc. ([CRD #5633](#), Omaha, Nebraska)

June 6, 2017 – An AWC was issued in which the firm was censured and fined \$10,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to submit the cancel type code as “P” and the correct number of cancelled shares for the cancel quantity to OATS in one instance and a cancel report to OATS in one instance. The findings stated that the firm submitted OATS reports that incorrectly indicated that the orders involved full rather than partial cancellations. Through its own investigation, the firm discovered that it submitted approximately 1,000 OATS reports with the incorrect “F” code on three sampled trade dates in 2015. FINRA’s investigation revealed that the firm incorrectly submitted approximately 1,000 reports to OATS per day indicating a full cancellation between January 1, 2013, and December 7, 2015. These 1,000 reports represented less than 1 percent of the 700,000 reports the firm transmitted to OATS on a daily basis during this time period. ([FINRA Case #2015044227001](#))

Coastal Equities, Inc. ([CRD #23769](#), Wilmington, Delaware)

June 9, 2017 – An AWC was issued in which the firm was censured and fined \$15,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish, maintain, and enforce a reasonably designed supervisory system for its representatives’ sales of leveraged, inverse and inverse-leveraged exchange-traded funds (non-traditional ETFs). The findings stated that the firm’s procedures required it to perform due diligence on each new product sold to customers to ensure that the firm and its representatives understood the nature of the product and its potential risks and rewards. The procedures also required the firm, on an ongoing basis, to determine whether the specific product was performing as anticipated, whether market conditions had affected performance, and whether only authorized and suitably trained representatives were selling the product. The procedures required the firm to document these reviews, however, the firm could not demonstrate that it had complied with these procedures. The firm’s procedures also required its representatives to collect a signed qualification agreement from each customer prior to executing any non-traditional ETF transaction for that customer. According to the procedures, the qualification agreement would describe product features and risks, and memorialize the customer’s acknowledgment of acceptance of the risks. The firm did not enforce this procedure and collected no qualification agreements from its customers. The firm did not have any exception reports specific to non-traditional ETFs, and failed to implement a system to monitor non-traditional ETFs holding periods and losses. ([FINRA Case #2014041310602](#))

National Financial Services LLC ([CRD #13041](#), Boston, Massachusetts)

June 12, 2017 – An AWC was issued in which the firm was censured and fined \$60,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that for the first and second quarters of 2014, it made publicly available reports on its routing of non-directed orders in covered securities. The findings stated that these reports included incorrect information because “not-held” orders were not

segregated into the “Other” category on the reports. The same practice that caused the incorrect categorization of “not-held” orders on these reports has occurred since 2001 and may have impacted approximately two million orders per quarter from approximately 2012 to 2015. The findings also stated that the firm transmitted three reports to OATS that contained inaccurate, incomplete or improperly formatted data, and failed to report information to OATS for one order. ([FINRA Case #2014039939401](#))

Benchmark Securities, LLC ([CRD #159940](#), Winter Park, Florida)

June 13, 2017 – An AWC was issued in which the firm was censured and fined \$25,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that while acting as the lead underwriter for negotiated municipal deals, it gave multiple gifts, usually in the form of college football tickets, to representatives of municipal issuers in excess of \$100 during rolling one-year time periods. The findings stated that the firm failed to establish, maintain, and enforce an adequate supervisory system and WSPs regarding gifts and gratuities. Further, the firm did not implement its written procedures to ensure compliance with MSRB Rule G-20. ([FINRA Case #2016047564601](#))

DART Executions, LLC ([CRD #140802](#), Chicago, Illinois)

June 13, 2017 – An AWC was issued in which the firm was censured and fined \$30,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to transmit ROEs to OATS. The findings stated that the firm failed to submit a new route report subsequent to the submission of a cancel/replace report. The findings also stated that the firm failed to provide for supervision reasonably designed to achieve compliance with respect to FINRA Rule 7450. ([FINRA Case #2013037736501](#))

Comerica Securities, Inc. ([CRD #17079](#), Detroit, Michigan)

June 14, 2017 – An AWC was issued in which the firm was censured, fined \$32,500, and ordered to offer rescission to customers who executed the transactions at either the original purchase price or the current fair market value, whichever is higher. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it effected customers’ transactions in a municipal security in an amount lower than the minimum denomination of the issue which was not subject to an exception under MSRB Rule G-15(f). The findings stated that the firm’s supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the MSRB rules, concerning municipal transactions effected on behalf of a customer below an issue’s minimum denomination, as stated on relevant offering documents. ([FINRA Case #2015046581901](#))

Bolton Global Capital ([CRD #15650](#), Bolton, Massachusetts)

June 15, 2017 – An AWC was issued in which the firm was censured and fined \$45,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to adequately supervise the creation and dissemination of consolidated reports. The findings stated that at least 25 firm representatives used various systems to prepare and distribute consolidated reports to customers. Some of these systems allowed for the manual entry of account information and asset values. During this period, the firm had no WSPs governing consolidated reports, no system to detect the use of consolidated reports, and no system or method to review such reports for accuracy. Additionally, the firm did not have any procedures requiring representatives to retain copies of the consolidated reports sent to customers or the back-up documentation that could be used to verify the manually entered asset values contained within those reports. ([FINRA Case #2015043276901](#))

Cambridge Investment Research, Inc. ([CRD #39543](#), Fairfield, Iowa)

June 19, 2017 – An AWC was issued in which the firm was fined \$5,000. Without admitting or denying the findings, the firm consented to the sanction and to the entry of findings that it failed to report transactions to TRACE in TRACE-eligible securitized products within the time permitted. ([FINRA Case #2016049834901](#))

Virtu Financial Capital Markets LLC ([CRD #45986](#), New York, New York)

June 19, 2017 – An AWC was issued in which the firm was censured and fined \$25,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it used the alternative provided in Trade Reporting FAQ No. 407.8 that required both a media (which was reported) and non-media report. The findings stated that the firm failed to submit to the FINRA/NASDAQ Trade Reporting Facility (FNTRF) 748,788 non-media regulatory reports identifying its contra-side executing broker. The findings also stated that the firm used another alternative to Trade Reporting FAQ 407.8, but failed to include the required indicator on its media reports. As a result, the firm executed 1,600,359 short sale transactions and failed to report each of these transactions to the FNTRF with a short sale modifier. ([FINRA Case #2014041711301](#))

Woodside Capital Securities LLC ([CRD #152603](#), Palo Alto, California)

June 19, 2017 – An AWC was issued in which the firm was censured and fined \$65,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it distributed newsletters that met the definition of a research report without ensuring that its personnel were properly registered as research analysts and research principals, that its research-related WSPs were in place, and that required disclosures were made in the research reports. The findings stated that the newsletters included analysis of equity securities of individual companies that provided information sufficient to make an investment decision and did not fall into any of the applicable exclusions. Because the firm was not approved to distribute research, it should have had

procedures reasonably designed to ensure that the newsletters did not meet the definition of a research report. It did not, and as a result, the firm distributed research reports and was required to comply with various rules applicable to research reports.

The findings also stated that the firm's research personnel who prepared the newsletters were overseen by two individuals who had not passed the required qualifying examination. Therefore, the firm failed to require these individuals to register as research principals and pass the qualifying examination or obtain a waiver. The firm also failed to require individuals acting in the capacity of research analyst to register as research analysts and pass the qualifying examinations or obtain a waiver. The findings also included that the newsletters the firm issued that met the definition of a research report failed to include one or more of the required disclosures or used conditional and indefinite disclosure language regarding the firm and its officers' and employees' ownership of the subject companies' securities. In one instance, the firm failed to disclose that it expected to receive compensation for investment banking services from a subject company, and in others, the firm failed to comply with NASD Rule 2711(h)(13)(A) with respect to third-party research. FINRA found that that the firm's WSPs did not set forth any processes or procedures to ensure that the firm's newsletters were not research reports or to ensure that any research reports the firm issued would comply with the applicable rules governing research reports and research analysts. ([FINRA Case #2015043457801](#))

Credit Suisse Securities (USA) LLC ([CRD #816](#), New York, New York)

June 20, 2017 – An AWC was issued in which the firm was censured and fined \$50,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it transmitted new order reports to OATS that contained inaccurate, incomplete or improperly formatted data. The findings stated that the new order reports were inaccurately entered into OATS as long sales but were trade reported with a short sale modifier. The violations were due to two separate system issues that have been remediated. The findings also stated that the firm transmitted to the FNTRF transactions with an incorrect symbol indicating whether the transaction was a buy, sell or sell short. Specifically, transactions were reported to the FNTRF without the short sale modifier code. The violations were due to a system issue that has been remediated. ([FINRA Case #2015045625601](#))

Sterne, Agee & Leach, Inc. ([CRD #791](#), Birmingham, Alabama)

June 20, 2017 – An AWC was issued in which the firm was censured and fined \$20,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it had a fail-to-deliver position at a registered clearing agency in an equity security that resulted from a sale transaction, and did not close out the fail-to-deliver position by purchasing or borrowing securities of like kind and quantity within the time frame and manner prescribed by Rule 204(a) of Regulation SHO. The findings stated that the firm had a fail-to-deliver position at a registered clearing agency in an equity

security that resulted from long sale transactions, and neglected to close out the positions by purchasing or borrowing securities of like kind and quantity within the time frame and manner prescribed by Rule 204(a)(1) of Regulation SHO. The findings also stated that the firm had a fail-to-deliver position at a registered clearing agency in an equity security that resulted from sales of a security that a person is deemed-to-own, and did not close out the fail-to-deliver position by purchasing or borrowing securities of like kind and quantity within the time frame and manner prescribed Rule 204(a)(2) of Regulation SHO. The findings also included that the firm failed to maintain an adequate system of supervision, including WSPs, reasonably designed to achieve compliance with respect to Rule 204 of Regulation SHO. Specifically, the firm's WSPs did not address how the firm supervised processes related to Rule 204 of Regulation SHO and was unable to provide evidence that supervisory reviews were conducted. ([FINRA Case #2014043828601](#))

Wells Fargo Securities, LLC ([CRD #126292](#), Charlotte, North Carolina)

June 21, 2017 – An AWC was issued in which the firm was censured, fined \$3,250,000, and required to review its supervisory systems and processes. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report all of its reportable conventional options positions for an unknown but significant period of time because of the firm's erroneous belief that the positions were not reportable and then, after determining that the firm would begin reporting these positions, the firm failed to develop and implement a Large Options Position Report (LOPR) system. The findings stated that after identifying and remediating the firm's failure to report reportable conventional options positions to LOPR, FINRA determined that the firm still failed to accurately report an unknown but significant number of conventional options positions to the LOPR.

The findings also stated that the firm and a customer exceeded the over-the-counter (OTC) position limit by 25 percent for at least 461 trading dates in options related to one security, and by 40 percent for two trading dates in options related to another security. The firm had not detected these violations because of its LOPR-related deficiencies. The findings also included that the firm failed to report an unknown—although small—number of physically settled OTC exercises to the FNTRF with an .RX modifier.

FINRA found that, until 2014, the firm failed to maintain any type of system of supervision, including systems of follow-up and review, which were designed to achieve compliance with the rules governing the reporting of conventional options positions to the LOPR system. The firm also lacked any relevant WSPs requiring relevant reviews. After implementing supervisory systems and WSPs pertaining to the reporting of conventional options to LOPR, the firm still failed to adequately supervise by failing to detect errors in numerous conventional options positions reported to the LOPR. The firm did not have an adequate system of supervision, including systems of follow-up and review and relevant WSPs, reasonably designed to achieve compliance with rules related to the exercise of physically settled OTC options. ([FINRA Case #2014040326101](#))

Legend Securities, Inc. ([CRD #44952](#), New York, New York)

June 22, 2017 – An OHO Decision became final in which the firm was fined a total of \$475,000 and ordered to pay \$884,436.24, plus interest, in restitution to customers. The sanctions were based on findings that the firm failed to have a reasonable supervisory system and WSPs to ensure it timely reported customer complaints, filed timely amendments to Uniform Application for Securities Industry Registration or Transfer (Form U4) and Uniform Termination Notice for Securities Industry Registration (Form U5), reviewed incoming and outgoing email communications, and considered heightened supervision for brokers with histories of misconduct. The findings stated that the firm failed to report, or reported late, customer complaints to FINRA, and failed to file and timely file amendments to Forms U4 for seven of its registered representatives. The findings also stated that the firm improperly charged customers in 34,313 securities transactions. The confirmations sent to customers described the charges as “handling fees,” which was misleading and inaccurate. As a result, the firm willfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-10. ([FINRA Case #2012030422902](#))

J.V.B. Financial Group, LLC ([CRD #149758](#), New York, New York)

June 23, 2017 – An AWC was issued in which the firm was censured and fined \$17,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report to TRACE transactions in TRACE-eligible corporate debt securities within the timeframe required by FINRA Rule 6730. ([FINRA Case #2016050967801](#))

Louis Capital Markets, LP ([CRD #48013](#), London, United Kingdom)

June 23, 2017 – An AWC was issued in which the firm was censured and fined \$9,000. A lower fine was imposed after considering, among other things, the firm’s financial revenue and resources. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to transmit ROEs to OATS. The findings stated that the firm failed to provide documentary evidence that during the review period it performed the supervisory reviews set forth in its WSPs concerning OATS reporting. ([FINRA Case #2016049901401](#))

R. Seelaus & Co., Inc. ([CRD #14974](#), Summit, New Jersey)

June 23, 2017 – An AWC was issued in which the firm was censured, fined \$28,000, and ordered to pay \$14,343.31, plus interest, in restitution to firm customers. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that in 28 pairs of transactions, the firm purchased municipal securities for its own account from a customer and/or sold municipal securities for its own account to a customer at an aggregate price (including any mark-down or mark-up) that was not fair and reasonable, taking into consideration all relevant factors, including the best judgment of the broker, dealer or municipal securities dealer as to the fair market value of the securities at the time of the transaction and of any securities exchanged or traded in

connection with the transaction; the expense involved in effecting the transaction; the fact that the broker, dealer, or municipal securities dealer is entitled to a profit; and the total dollar amount of the transaction. ([FINRA Case #2015046947201](#))

TD Securities (USA) LLC ([CRD #18476](#), New York, New York)

June 26, 2017 – An AWC was issued in which the firm was censured and fined \$10,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report 87 transactions in TRACE-eligible agency debt securities to TRACE within 15 minutes of execution. ([FINRA Case #2016051885601](#))

Stifel, Nicolaus & Company, Incorporated ([CRD #793](#), St. Louis, Missouri)

June 27, 2017 – An AWC was issued in which the firm was censured and fined \$125,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that while in a non-issue-specific financial advisory relationship with an Arizona school district (the district), the firm acted as placement agent for the district without providing the role disclosure required by MSRB Rule G-23 in a timely manner. The findings stated that in January 2012, pursuant to a general agreement, the district contacted the firm and requested financial advice on a proposed \$50 million publicly offered bond issuance to finance \$38 million for building construction and \$12 million for the purchase of furniture, equipment and technology (the Issuance). In May 2012, the firm, while acting as financial advisor, approached a representative of the Arizona county in which the district is located (the county) about privately placing \$12 million of short-term debt (furniture, equipment and technology financing) with the county. After the firm's discussions with the county, the firm recommended that the district place \$12 million of short-term debt with the county to save on debt service costs as compared to a public offering. The district accepted the firm's recommendation and thereby modified its financing plans by deciding to issue two series of bonds. It decided to place a \$12 million series of bonds with the county and to publicly offer a separate \$38 million series of bonds. On June 7, 2012, the district passed a new bond resolution to authorize different financing options for the Issuance, including the potential placement of \$12 million in bonds with the county. The resolution stated that the firm would act as placement agent if the district decided to place bonds with the county. The firm continued to serve as financial advisor for \$38 million in bonds issued by the district (Series A), and served as placement agent for \$12 million in bonds issued by the district, which were placed with the county (Series B). The closings for both sets of bonds took place on July 24, 2012. The firm did not make the disclosures to the district regarding its role on the Series B placement as placement agent as required by MSRB interpretive guidance in a timely manner. ([FINRA Case #2013034947901](#))

Trustfirst Inc. ([CRD #39057](#), Knoxville, Tennessee)

June 28, 2017 – An AWC was issued in which the firm was censured and fined \$15,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it distributed offering documents in connection with the sale of three unregistered offerings that contained typographical errors and were internally contradictory regarding the nature of the offerings' contingency terms and possible extensions of the contingency termination date. As a result, the offering documents created a risk that investors could be confused about certain terms of the offering, and thus did not provide a sound basis for evaluating the facts relevant to the securities being offered. The findings also stated that the firm distributed a PowerPoint presentation (which was an exhibit to a private placement memorandum) that failed to separately disclose risks associated with one of these investment offerings or the basis for calculating the estimated yield, and included a comparison to other investments without discussing the material differences between those investments and the offering. ([FINRA Case #2014039420301](#))

VFG Securities, Inc. ([CRD #15121](#), Culver City, California)

June 28, 2017 – An AWC was issued in which the firm was censured and fined \$75,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to supervise as private securities transactions the investment advisory activities of two registered representatives who were dually registered with the firm and an affiliated registered investment advisor (RIA). The findings stated that the two representatives participated in approximately 150 private securities transactions totaling approximately \$9.6 million and involving three different offerings, and received advisory fees from the RIA for these investments. The representatives had previously disclosed to the firm their association with the RIA, which the firm approved. However, the firm treated investment advisory activities through the RIA as outside business activities and not as private securities transactions. As a result, the firm did not supervise these transactions as private securities transactions, nor did it maintain these transactions on its books and records. The findings also stated that by treating the representatives' investment activities through the RIA as outside business activities rather than as private securities transactions, the firm failed to establish and maintain a supervisory system that was reasonably designed to achieve compliance with NASD Rule 3040. ([FINRA Case #2014038997601](#))

Cantone Research Inc. ([CRD #26314](#), Tinton Falls, New Jersey)

June 29, 2017 – An AWC was issued in which the firm was censured and fined \$15,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report to TRACE transactions in TRACE-eligible agency debt securities within the time permitted by FINRA Rule 6730. The findings stated that the firm failed to report transactions to TRACE in TRACE-eligible corporate debt securities within the time permitted by FINRA Rule 6730, and failed to report the correct time of trade execution to TRACE. The findings also stated that the firm failed to show the correct time of execution on the memoranda of brokerage orders for corporate debt securities. ([FINRA Case #2016048701701](#))

FIG Partners, LLC ([CRD #41554](#), Atlanta, Georgia)

June 29, 2017 – An AWC was issued in which the firm was censured, fined \$27,500, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it accepted a short sale order in an equity security from another person without borrowing the security, or entering into a bona-fide arrangement to borrow the security, or having reasonable grounds to believe that the security could be borrowed so that it could be delivered on the date delivery is due, and documenting compliance with Rule 203(b)(1) of Regulation SHO. The findings stated that the firm’s supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to certain applicable securities laws and regulations, and/or the rules of FINRA. The firm’s WSPs addressing quality of markets topics failed to provide for one or more of the four minimum requirements for adequate WSPs. ([FINRA Case #2015047499001](#))

Instinet, LLC ([CRD #7897](#), New York, New York)

June 29, 2017 – An AWC was issued in which the firm was censured, fined a total of \$330,000, of which \$78,375 is payable to FINRA, and required to revise its WSPs. The remaining balance of the fine will be paid to other self-regulatory organizations in related disciplinary actions. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that multiple systems and coding issues caused the firm not to capture certain protected quotations of New York Stock Exchange (NYSE) and Nasdaq Stock Market LLC-listed quotations. The findings stated that as a consequence, the firm failed to simultaneously send ISOs to execute against the full displayed size of certain protected quotations when routing ISOs to various markets, which led to certain trade throughs of such protected quotations subject to disciplinary action. As a consequence of the conduct, the firm failed to take reasonable steps to establish that the ISOs it routed met the definitional requirements set forth in Rule 600(b)(30) of Regulation NMS. The findings also included that the firm’s supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to Rule 611(c) of Regulation NMS. ([FINRA Case #2013037651705](#))

Mischler Financial Group, Inc. ([CRD #37818](#), Corona Del Mar, California)

June 29, 2017 – An AWC was issued in which the firm was censured, fined \$12,500, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to transmit ROEs to OATS. The findings stated that the firm’s supervisory system did not provide for supervision reasonably designed to achieve compliance with FINRA Rule 7450. The firm’s WSPs failed to provide for one or more of the four minimum requirements for adequate WSPs for OATS reporting. ([FINRA Case #2016049472801](#))

Allianz Life Financial Services, LLC ([CRD #612](#), Minneapolis, Minnesota) and Questar Capital Corporation ([CRD #43100](#), Minneapolis, Minnesota)

June 30, 2017 – An AWC was issued in which the firms were censured and fined \$150,000, jointly and severally. Without admitting or denying the findings, the firms consented to the sanctions and to the entry of findings that they failed to maintain a significant number of electronic brokerage records, essential to their business, in non-erasable and non-rewritable format known as “write once, read many” (WORM) format, that is intended to prevent the alteration or destruction of broker-dealer records stored electronically. The findings stated that this deficiency affected 18 categories of electronic records, including records relating to customer accounts, financial records, and records relating to disciplinary actions and anti-money laundering compliance. The findings also stated that the firms experienced related audit deficiencies that affected their ability to adequately retain and preserve electronic records. The firms did not have an audit system for those records they failed to maintain in WORM format. The findings also included that the firms failed to establish, maintain and enforce WSPs reasonably designed to achieve compliance with applicable record retention requirements. The firms’ WSPs failed to specify how they would supervise their compliance with the WORM-related requirements. ([FINRA Case #2016051317701](#))

HSBC Securities (USA) Inc. ([CRD #19585](#), New York, New York)

June 30, 2017 – An AWC was issued in which the firm was censured, fined \$1,500,000 and required to conduct a comprehensive review of the adequacy of the relevant policies and procedures (written and otherwise), including a description of remedial measures leading to full compliance, relating to the conduct addressed in the AWC. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to maintain electronic broker-dealer records in WORM format. The findings stated that the firm failed to retain in WORM format brokerage order memoranda records relating to approximately 12.36 million transactions in preferred exchange traded-funds, equities and fixed income products. Other affected records included a limited number of the firm’s general ledger, certain internal audit records, risk management control records, unusual activity reports and certain policy manuals. The findings also stated that the firm failed to provide the required 90-day notice to its designated examining authority (FINRA), prior to retaining a vendor to provide electronic storage. The findings also included that the firm failed to implement an audit system for those records it failed to maintain in WORM format. FINRA found that in certain instances, the firm failed to obtain an attestation from its third-party vendor that it will supply electronically stored records to regulatory authorities in the event the firm is unable to provide the electronically stored records. FINRA also found that the firm failed to establish, maintain and enforce WSPs reasonably designed to achieve compliance with Exchange Act Rule 17a-4 record retention requirements. ([FINRA Case #2017053137201](#))

MML Distributors, LLC ([CRD #38030](#), Enfield, Connecticut), MML Investors Services, LLC ([CRD #10409](#), Springfield, Massachusetts), MML Strategic Distributors, LLC ([CRD #168638](#), Springfield, Massachusetts) and OppenheimerFunds Distributor, Inc. ([CRD #7834](#), New York, New York)

June 30, 2017 – An AWC was issued in which the firms were censured and fined \$750,000, jointly and severally, and required to conduct a comprehensive review of the adequacy of the relevant policies and procedures (written and otherwise), including a description of remedial measures leading to full compliance, relating to the conduct addressed in the AWC. Without admitting or denying the findings, the firms consented to the sanctions and to the entry of findings that they failed to maintain electronic brokerage records in WORM format. The findings stated that the firms shared an enterprise-wide retention system, employing a variety of systems and storage media. The firms failed to retain in WORM format client profile records, variable annuity, variable life and retirement services transaction records and financial records. This deficiency spanned multiple systems and affected at least seven categories of electronic broker-dealer records, including, but not limited to client profile records, compliance records, business gift and entertainment records, financial records, and blotters containing variable annuity transaction records. The findings also stated that the firms failed to provide the required 90-day notice to its designated examining authority (FINRA), prior to retaining a vendor to provide electronic storage. The findings also included that the firms failed to implement an audit system for those records they failed to maintain in WORM format. FINRA found that the firms failed to provide third-party vendors with full access to and the ability to download information from the firms' electronic storage media and failed to obtain the required third-party attestation letters. FINRA also found that the firms failed to enforce WSPs concerning their storage of electronic brokerage records in WORM format. ([FINRA Case #2016052647801](#))

Individuals Barred

Toby McGrath ([CRD #5437369](#), Woodbury, Connecticut)

June 2, 2017 – An AWC was issued in which McGrath was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, McGrath consented to the sanction and to the entry of findings that she converted over \$1,600 of her member firm's funds by using gift cards, originally purchased by it for business purposes, to purchase, without authorization, goods and services for her personal benefit. ([FINRA Case #2014043921201](#))

Paul Wescoe Smith ([CRD #1070735](#), Wayne, Pennsylvania)

June 7, 2017 – An AWC was issued in which Smith was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Smith consented to the sanction and to the entry of findings that he failed to provide FINRA-requested documents and information related to him conducting a private securities transaction without notifying his member firm. ([FINRA Case #2017053266401](#))

Anthony Joseph Verzi ([CRD #1186572](#), Melbourne, Florida)

June 7, 2017 – An AWC was issued in which Verzi was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Verzi consented to the sanction and to the entry of findings that he refused to appear for FINRA-requested on-the-record testimony during the course of an investigation into his potential unsuitable trading of UITs in customer accounts. ([FINRA Case #2016051829801](#))

Salvatore Sapienza ([CRD #5681313](#), Albany, New York)

June 8, 2017 – An AWC was issued in which Sapienza was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Sapienza consented to the sanction and to the entry of findings that he refused to appear for FINRA requested on-the-record testimony during the course of an investigation of the circumstances surrounding his resignation from his member firm. ([FINRA Case #2016052639201](#))

Thomas Aloysius Skove ([CRD #2363818](#), Rumson, New Jersey)

June 8, 2017 – An AWC was issued in which Skove was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Skove consented to the sanction and to the entry of findings that he failed to appear and provide FINRA requested testimony in connection with an investigation into allegations of fraudulent activity relating to pre-arranged trading. ([FINRA Case #2015046351501](#))

John Emmett Regan ([CRD #5143728](#), New York, New York)

June 12, 2017 – An AWC was issued in which Regan was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Regan consented to the sanction and to the entry of findings that he converted approximately \$25,000 of his member firm's funds, through his submission of false expense reports. The findings stated that Regan submitted approximately 90 personal expenses for reimbursement by the firm that he intentionally mischaracterized as business-related expenses. ([FINRA Case #2014041406201](#))

Lawrence Marshall Thomas ([CRD #1777286](#), North Attleboro, Massachusetts)

June 12, 2017 – An AWC was issued in which Thomas was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Thomas consented to the sanction and to the entry of findings that he refused to provide FINRA-requested on-the-record testimony in connection with an investigation into his recommendation that his member firm's customers purchase an unauthorized product. ([FINRA Case #2016051620501](#))

Blake P. King ([CRD #6012392](#), Atlanta, Georgia)

June 13, 2017 – An AWC was issued in which King was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, King consented to the sanction and to the entry of findings that he failed to provide to FINRA-requested documents and information related to an investigation into allegations that he may have engaged in unauthorized trading in customer accounts. ([FINRA Case #2017053237501](#))

Eric Sharp Snow ([CRD #1580884](#), Clovis, California)

June 13, 2017 – An AWC was issued in which Snow was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Snow consented to the sanction and to the entry of findings that he converted approximately \$163 from his member firm's insurance affiliate by submitting four false expense reports, each of which misrepresented that he had taken certain individuals to lunch for business purposes and attached falsified receipts in support of his requests. ([FINRA Case #2016050766701](#))

Cathy Ione Earnest ([CRD #2606992](#), Chicago, Illinois)

June 19, 2017 – An AWC was issued in which Earnest was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Earnest consented to the sanction and to the entry of findings that she refused to produce FINRA-requested information and documents in connection with an investigation into allegations received in a complaint by her member firm that she had received a \$350,000 loan from a senior customer and had not repaid it. ([FINRA Case #2017052944001](#))

Robert Blake Ellender ([CRD #2345532](#), Baton Rouge, Louisiana)

June 28, 2017 – An OHO decision became final in which Ellender was barred from association with any FINRA member in all capacities. The sanction was based on findings that Ellender failed to respond fully and timely to FINRA's request for documents and information during the course of its investigation into whether he failed to follow his member firm's company policies and procedures regarding expense reports and whether he had failed to disclose financial information and an outstanding arrest on his Form U4. ([FINRA Case #2015045846502](#))

Jesus Eduardo Cobayashi ([CRD #5911340](#), Longview, Texas)

June 29, 2017 – An AWC was issued in which Cobayashi was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Cobayashi consented to the sanction and to the entry of findings that he failed to provide FINRA-requested documents and information in connection with an investigation of, among other things, the circumstances surrounding his termination from his member firm. ([FINRA Case #2017053972301](#))

Mark Charles Koehler ([CRD #2873947](#), Chadds Ford, Pennsylvania)

June 29, 2017 – An AWC was issued in which Koehler was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Koehler consented to the sanction and to the entry of findings that he refused to produce FINRA-requested information and documents after it commenced an investigation following receipt of a tip that he had engaged in unsuitable trades in the account of a senior customer. The findings stated that during its investigation, FINRA also reviewed trading in certain other of Koehler's customer accounts, including those associated with a second customer and her senior customer parents. FINRA sought to investigate, among other activity, whether Koehler engaged in unsuitable trading, including short-term mutual fund switching and excessive trading in customer accounts, placed undue influence on the second customer before her death, and failed to disclose to his member firm his status as a named beneficiary in the second customer's will. ([FINRA Case #2014040951701](#))

Jason Hyson LeBlanc ([CRD #2483182](#), Fulshear, Texas)

June 29, 2017 – An AWC was issued in which LeBlanc was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, LeBlanc consented to the sanction and to the entry of findings that he failed to disclose several outside business activities to his member firm and provided inaccurate information to the firm about an outside business activity. The findings stated that LeBlanc engaged in private securities transactions without the firm's knowledge or approval. The findings also stated that LeBlanc misused customer funds by applying a customer's money to an investment other than the one he represented to her. LeBlanc sold a promissory note to a customer for \$23,000. LeBlanc led the customer to believe that she was investing in a coffee shop. Instead, LeBlanc returned \$3,000 to the customer and invested the remaining \$20,000 in a real estate investment company, without informing her of the change of investment.

FINRA found that LeBlanc misused customer funds by commingling personal and customer funds in various bank and brokerage accounts. LeBlanc frequently commingled funds in order to pay bills for the various entities and his own personal expenses. FINRA also found that LeBlanc provided incomplete responses to its requests for information by not providing documents that were requested pursuant to Rule 8210 after he testified that they were in his possession. ([FINRA Case #2015047168101](#))

James Robert Schaedler, Jr. ([CRD #4264512](#), Corona, California)

June 29, 2017 – An AWC was issued in which Schaedler was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Schaedler consented to the sanction and to the entry of findings that he refused to produce FINRA-requested information and documents during the course of an investigation into allegations that he exercised influence over an elderly former client, who ultimately amended her trust, which made him a partial beneficiary and the residual beneficiary of her \$2.3 million dollar estate. The findings stated that the investigation was later expanded to include allegations that Schaedler also improperly received a \$200,000 gift from a second elderly client. ([FINRA Case #2016048560401](#))

Jiaoni Zhu ([CRD #6129458](#), Porter Ranch, California)

June 29, 2017 – An AWC was issued in which Zhu was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Zhu consented to the sanction and to the entry of findings that during two unscheduled breaks from the General Securities Representative (Series 7) examination, she accessed her locker to retrieve and review a study guide and handwritten notes that related to the subject matter of the examination. The findings stated that before beginning the examination, Zhu acknowledged that, for the duration of the examination, she would not use or attempt to use any personal items such as notes or study materials and would not access her locker during an unscheduled break. ([FINRA Case #2016052001701](#))

Alain J. Florestan ([CRD #2818942](#), Queens Village, New York)

June 30, 2017 – An OHO decision became final in which Florestan was barred from association with any FINRA member in all capacities. The sanction was based on findings that Florestan recommended a trading strategy without considering the costs and without having a reasonable basis for believing that the trading was suitable. The findings stated that Florestan recommended an active trading investment strategy and charged high commissions of 4 percent or more on each transaction without understanding that the frequent trading and high commissions were generating excessive cost-to-equity ratios in customer accounts. Without understanding the costs of the trading strategy and how they related to performance in the accounts, he did not have a reasonable basis for believing the strategy was suitable. Florestan cold-called international investors but would typically only accept as customers those investors who agreed to select speculation as an investment objective. Florestan did not explain the risks and costs of speculation as an investment objective. The findings stated that Florestan did not conduct any due diligence on the active trading investment strategy he was recommending. Because he did not understand turnover rates or cost-to-equity ratios and he did not analyze the costs of the trading strategy he was recommending, he did not have any understanding of the risks, volatility or likely performance of his recommendations. In fact, his customers realized losses and paid staggering costs given the amounts invested in their accounts.

The findings also stated that Florestan willfully failed to timely update his Form U4 to disclose five civil judgments against him. FINRA informed Florestan of the judgments and yet he failed to disclose them for more than half a year. It was only upon later learning that FINRA intended to bring a disciplinary proceeding that Florestan made the disclosures. The findings also included that Florestan failed to timely respond to FINRA's requests for information and to follow-up communications during the course of its investigation. ([FINRA Case #2014039091903](#))

Individuals Suspended

Daniel P. Bailey (CRD #2624368, Spencesport, New York)

June 1, 2017 – An AWC was issued in which Bailey was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Bailey consented to the sanctions and to the entry of findings that he recommended that an elderly customer with an annual income of less than \$40,000 and a net worth of less than \$500,000, invest \$125,000 in an international business company whose investment strategy emphasized generating “capital gains ... by owning and operating ocean-going ships.” The findings stated that as described in its offering documents, the company was a highly speculative investment. Bailey’s recommendation that the customer invest more than 25 percent of her net worth in a single speculative investment was inconsistent with the customer’s financial situation, investment objectives and risk tolerance.

The suspension was in effect from July 3, 2017, through August 2, 2017. ([FINRA Case #2015048237201](#))

David Michael Panetta (CRD #1899328, Clark, New Jersey)

June 1, 2017 – AN AWC was issued in which Panetta was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Panetta consented to the sanctions and to the entry of findings that he engaged in unapproved outside business activities by selling unapproved insurance products through an entity unaffiliated with his member firm without providing prior notice to it. The findings stated that Panetta received approximately \$12,000 in compensation for these sales, but did not disclose the sales or his compensation to the firm. The findings also stated that Panetta provided inaccurate responses on the firm’s annual attestations concerning his participation in outside business activities.

The suspension was in effect from June 5, 2017, through August 4, 2017. ([FINRA Case #2016052583401](#))

Jose J. Perez (CRD #2477427, Orland Park, Illinois)

June 1, 2017 – An AWC was issued in which Perez was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 30 days. Without admitting or denying the findings, Perez consented to the sanctions and to the entry of findings that in order to effect a transfer of retirement funds his customer requested, Perez directed his assistant to impersonate the customers, and he impersonated the customer’s brother, during a telephone call with a third-party financial institution. The findings stated that Perez’s misconduct is aggravated by the fact that the customer’s funds were withdrawn from a 401(k) plan account rather than from another pension account the customer wanted the funds withdrawn from. The customer advised Perez that she was

retiring and requested that he transfer pension funds held by the third party company to her IRA account at Perez's member firm. Unbeknownst to Perez, this customer held two retirement accounts with the third-party company, one in a pension fund account and the other in a 401(k) plan account. As a result of the direction given by Perez, the funds held in the 401(k) account, rather than the ones held in the pension account, were transferred to Perez's firm. Shortly after the transfer was made, the customer's son complained to the firm and the transaction was reversed.

The suspension was in effect from June 5, 2017, through July 4, 2017. ([FINRA Case #2015044718001](#))

Brian Sandy Rauch ([CRD #4201381](#), Syosset, New York)

June 1, 2017 – An AWC was issued in which Rauch was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Rauch consented to the sanctions and to the entry of findings that for a period of nearly three years, during his association with two member firms, he failed to timely amend his Form U4 to disclose a federal tax lien in the amount of \$86,439.

The suspension was in effect from June 5, 2017, through August 4, 2017. ([FINRA Case #2014039358004](#))

Individuals Suspended

Scott Edmond Hedeman ([CRD #3214721](#), Grand Rapids, Michigan)

June 2, 2017 – An AWC was issued in which Hedeman was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Hedeman consented to the sanctions and to the entry of findings that he submitted two falsified brokerage account statements with his loan application to a bank in order to increase the likelihood that it would grant him and his wife a loan of \$225,000 that they sought to refinance and remodel their home. The findings stated that at that time, Hedeman and his wife each had a securities account with his member firm. In order to falsify the account statements, Hedeman accessed the firm's internal system to print two customer account statements for which he was the representative of record. Hedeman then cut and pasted his and his wife's names onto the two account statements and submitted the altered account statements to the bank. Due to the alterations, the securities account statements that Hedeman sent to the bank now falsely reflected his and his wife's account balances.

The suspension is in effect from June 5, 2017, through September 4, 2017. ([FINRA Case #2016052023601](#))

Gary Aquino Ladrigo ([CRD #3129982](#), San Diego, California)

June 2, 2017 – An AWC was issued in which Ladrigo was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 14 months. Without admitting or denying the findings, Ladrigo consented to the sanctions and to the entry of findings that he acted in the capacity of a registered representative while suspended by FINRA in all capacities. The findings stated that despite being on notice of the suspension, Ladrigo continued to act in the capacity of a registered representative throughout the suspension period. Specifically, on multiple occasions, Ladrigo, acting on behalf of his private fund clients (e.g., private equity funds and hedge funds), solicited prospective investors to purchase limited partnership interests in these funds.

The suspension is in effect from June 5, 2017, through August 4, 2018. ([FINRA Case #2014043691301](#))

Marc Augustus Reda ([CRD #2757330](#), Staten Island, New York)

June 2, 2017 – An AWC was issued in which Reda was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Reda consented to the sanctions and to the entry of findings that he exercised discretion in customers' accounts without written authorization from the customers and without having obtained his member firm's approval to treat those accounts as discretionary. The findings stated that Reda failed to timely disclose on his Form U4 a federal tax lien filed against him in the amount of \$575,101.

The suspension is in effect from July 3, 2017, through October 2, 2017. ([FINRA Case #2016048486601](#))

Mark Tyler Bonds ([CRD #4853581](#), Irvine, California)

June 5, 2017 – An AWC was issued in which Bonds was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 30 business days. Without admitting or denying the findings, Bonds consented to the sanctions and to the entry of findings that he falsely denied borrowing money in a questionnaire submitted to his member firm. The findings stated that Bonds borrowed \$52,000 from a firm customer, who was a personal friend of his. Another firm registered representative handled the customer's account, but the firm policies explicitly prohibited representatives from borrowing money or securities from any firm customer.

The suspension was in effect from June 5, 2017, through July 17, 2017. ([FINRA Case #2016052641501](#))

Zena Yofonovich ([CRD #1358792](#), Glenview, Illinois)

June 5, 2017 – An AWC was issued in which Yofonovich was suspended from association with any FINRA member in all capacities for two months. In light of Yofonovich's financial status, no monetary sanction has been imposed. Without admitting or denying the

findings, Yofonovich consented to the sanction and to the entry of findings that she borrowed a total of \$63,500 from an elderly customer of her member firm. The findings stated that the borrowed funds were withdrawn from the customer's variable annuity held at the firm. Yofonovich did not notify the firm before borrowing the funds, she did not seek or obtain the firm's pre-approval of the loan, and she has not repaid the loan.

The suspension was in effect from June 5, 2017, through August 4, 2017. ([FINRA Case #2016052247401](#))

James Keith Cox ([CRD #2365633](#), Baton Rouge, Louisiana)

June 6, 2017 – An AWC was issued in which Cox was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in all capacities for four months and ordered pay \$25,460, plus interest, in deferred disgorgement of commissions received. Without admitting or denying the findings, Cox consented to the sanctions and to the entry of findings that he recommended unsuitable annuity transactions to a customer and received net commissions of \$25,460 in connection with the exchange. The findings stated that Cox failed to provide prior written notice of an outside business activity to his member firm when he charged the customer \$2,500 for consulting services that he provided in connection with the construction of a modular office building for the customer's medical practice.

The suspension is in effect from June 19, 2017, through October 18, 2017. ([FINRA Case #2015047812901](#))

Stephen Jay Kaufman ([CRD #2386637](#), Freehold, New Jersey)

June 6, 2017 – An AWC was issued in which Kaufman was fined \$5,000 and suspended from association with any FINRA member in all capacities for 20 business days. Without admitting or denying the findings, Kaufman consented to the sanctions and to the entry of findings that he exercised discretion in customer accounts without obtaining the customers' prior written authorization to exercise discretion in their accounts, and without his member firm approving any of the accounts for discretionary trading.

The suspension was in effect from July 3, 2017, through July 31, 2017. ([FINRA Case #2016050978901](#))

Abed Adam Darwish ([CRD #5313061](#), North Ridgeville, Ohio)

June 9, 2017 – An AWC was issued in which Darwish was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Darwish consented to the sanctions and to the entry of findings that he used the personal identification information of two customers of a bank affiliated with his member firm, without their knowledge and consent. The findings stated that Darwish did this in order to establish online access to a brokerage

account the customers held at another FINRA-regulated broker-dealer so that he could prepare alternate investment recommendations and convince the customers to transfer their account to the firm. The findings also stated that Darwish had a firm customer sign an incomplete change of beneficiary form for her variable annuity and, thereafter, without the customer's knowledge and/or authorization, Darwish added his wife as a 50 percent primary beneficiary to the annuity. Approximately 10 days later, when the customer received notification from the annuity company advising her of the addition of Darwish's wife as a beneficiary, the customer immediately notified Darwish and requested that her husband be named as the sole beneficiary of the variable annuity. Darwish corrected the customer's annuity beneficiary designations that day. Shortly thereafter, the firm received an anonymous complaint regarding Darwish's handling of the customer's variable annuity. During the course of the firm's investigation into the errors on the customer's change-of-beneficiary form, Darwish made false statements to the firm regarding the reason for, and events that led to the submission of, the change of beneficiary for the customer's variable annuity. Among other things, Darwish stated that the changes to the customer's variable annuity were the result of his determining that the customer had not designated any contingent beneficiaries. That statement made to the firm was false since, at the time of the proposed change, the customer had already designated her husband's estate as the contingent beneficiary. The findings also included that Darwish's actions caused the firm to make and preserve a false and inaccurate record of the customer's designated beneficiaries.

The suspension is in effect from June 19, 2017, through December 18, 2018. ([FINRA Case #2015045720901](#))

Geraldine Gordon (CRD #2499098, Lexington, Kentucky)

June 9, 2017 – An AWC was issued in which Gordon was fined \$7,500 and suspended from association with any FINRA member in all capacities for 10 business days. Without admitting or denying the findings, Gordon consented to the sanctions and to the entry of findings that she recommended that her customer liquidate several diversified investments in her member firm brokerage and IRA accounts, and invest half of her liquid net worth in a single Master Limited Partnership focused on the energy sector. The findings stated that the recommendation was unsuitable because the investment represented an excessive concentration of the customer's net worth. The Master Limited Partnership prospectus described the investment as speculative. Following Gordon's recommendation, the customer invested a total of \$334,000 in the Master Limited Partnership. Gordon's recommendation that the customer invest half of her liquid net worth in this single sector-focused Master Limited Partnership was not suitable for the customer in light of her financial condition and the excessively concentrated nature of the investment.

The suspension was in effect from July 18, 2017, through July 31, 2017. ([FINRA Case #2016049353501](#))

Christopher Robert Hickman ([CRD #3267599](#), Boynton Beach, Florida)

June 9, 2017 – An AWC was issued in which Hickman was assessed a deferred fine of \$5,000, suspended from association with any FINRA member in all capacities for five months, and ordered to pay \$115,989.75, plus interest, in deferred restitution to customers. Without admitting or denying the findings, Hickman consented to the sanctions and to the entry of findings that he engaged in an unsuitable pattern of short-term trading of UITs in six customer accounts. The findings stated that Hickman repeatedly recommended that the customers purchase UITs and then sell these products within a year of purchase. The UITs that Hickman recommended had maturity dates of 24 months or longer and carried sales charges of up to 3.95 percent. The average holding period for the UITs purchased in these six customers' accounts was just 136 days. In addition, on several occasions, Hickman recommended that his customers use the proceeds from the short-term sale of a UIT to purchase another UIT with similar or even identical investment objectives. As a result of these transactions, the six customers at issue suffered losses of approximately \$115,989.75.

The suspension is in effect from June 19, 2017, through November 18, 2017. ([FINRA Case #2015046087601](#))

Michael John Isaac ([CRD #2287287](#), Shrewsbury, Massachusetts)

June 9, 2017 – An AWC was issued in which Isaac was fined \$5,000 and suspended from association with any FINRA member in all capacities for 30 business days. Without admitting or denying the findings, Isaac consented to the sanctions and to the entry of findings that he instructed a customer to sign at least nine different blank forms, which included disclosure letters, new account forms, variable annuity applications and withdrawal forms, and return them to Isaac undated. The findings stated that after Isaac received the forms, he completed them and submitted them to his member firm for processing. The pre-signed forms inaccurately implied that the customer had reviewed and approved all the information contained on the forms prior to affixing his signature. At all relevant times, the firm's WSPs prohibited registered representatives from having customers sign blank documents.

The suspension was in effect from July 3, 2017, through August 14, 2017. ([FINRA Case #2016051042201](#))

Mark Stewart Saunders ([CRD #3060799](#), Monroe City, Missouri)

June 9, 2017 – An AWC was issued in which Saunders was fined \$5,000 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Saunders consented to the sanctions and to the entry of findings that he effected discretionary trades in a customer's brokerage account by purchasing over \$198,000 in securities without obtaining the customer's prior written authorization or his member firm's written acceptance of the account as discretionary. The

findings stated that although the customer verbally granted Saunders discretion to place trades in her account, she did not provide written authorization for him to do so. The firm's written policies and procedures prohibited representatives from exercising discretionary power in customer brokerage accounts. In addition, the firm prohibited time and price discretion.

The suspension was in effect from July 3, 2017, through July 24, 2017. ([FINRA Case #2016048658302](#))

James William Flower (CRD #2817701, Melville, New York)

June 12, 2017 – An AWC was issued in which Flower was suspended from association with any FINRA member in all capacities for three months and required, within 60 days of the date of the Notice of Acceptance of the AWC, to attend and satisfactorily complete 10 hours of continuing education concerning complex products, which includes exchange-traded notes, by a provider not unacceptable to FINRA. Within 30 days of following completion of such training, Flower will submit written proof that the continuing education program has been satisfactorily completed. In light of Flower's financial status, no monetary sanction has been imposed.

Without admitting or denying the findings, Flower consented to the sanctions and to the entry of findings that he recommended that 13 of his customers invest in a highly volatile exchange-traded note without having a reasonable basis for recommending the transactions. The findings stated that at the time Flower was recommending the exchange-traded note, he incorrectly believed that it traded inverse to the S&P 500 index. This erroneous perception led him to recommend that customers purchase and hold the exchange-traded note as a hedge to an anticipated overall market decline. Based on Flower's recommendations, 13 customers suffered losses in excess of \$249,000 after holding their shares for periods ranging from two weeks to over one year. Flower lacked a sufficient understanding of the mechanics of the exchange-traded note to form a reasonable basis upon which to recommend the purchase of it to his customers.

The suspension is in effect from July 3, 2017, through October 2, 2017. ([FINRA Case #2014040644001](#))

Imran Hasan Mansur (CRD #6534688, Fishers, Indiana)

June 12, 2017 – An AWC was issued in which Mansur was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Mansur consented to the sanctions and to the entry of findings that he willfully failed to timely disclose on his Form U4 that he was charged with and convicted of a non-investment-related felony.

The suspension is in effect from June 19, 2017, through August 18, 2017. ([FINRA Case #2016051214301](#))

Christopher M. Hawn ([CRD #4776341](#), Furlong, Pennsylvania)

June 13, 2017 – An AWC was issued in which Hawn was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Hawn consented to the sanctions and to the entry of findings that he participated in two unapproved private securities transactions without providing prior written notice to his member firm. The findings stated that Hawn introduced his friend and an uncle to an investment opportunity in a private placement offering of a security. Each separately purchased membership interests in the offering and invested a total of \$98,980. The findings also stated that Hawn distributed to the potential investors marketing materials and an information memorandum that were prepared by the issuer of the securities that failed to comply with FINRA's content standards for communications with the public. The materials did not include the risks of investing in the offering or provide a sound basis for evaluating the financial information contained in the offering. Furthermore, the information memorandum failed to comply with NASD Rule 2210(d)(1)(A) in that it contained forecasts of financial information, but failed to include clear language that described the assumptions used for the financial information, or factors that might inhibit achievement of the issuer's projected financial results. The findings also included that Hawn engaged in an outside business activity without providing prior written notice to the firm. Hawn signed a consulting agreement with the business, a privately owned RIA, that provided that he be paid a fee of \$100 per hour for his consulting activities, though he was never compensated by the business.

FINRA found that Hawn falsely stated on the firm's annual compliance questionnaire that all of his securities-related business was conducted through the firm, which was false because, at the time he completed the questionnaire, Hawn had participated in private securities transactions by introducing, soliciting and referring investors to the offering. Hawn also submitted monthly and annual certifications falsely certifying that he had disclosed all current outside business activities. The certifications were false because at the time Hawn completed each of these questionnaires, he was engaged in unapproved outside business activities with the outside business.

The suspension is in effect from June 19, 2017, through December 18, 2017. ([FINRA Case #2015046760801](#))

Jeffrey Donald Noard ([CRD #1983392](#), Menomonee Falls, Wisconsin)

June 14, 2017 – A NAC decision became final in which Noard was fined \$2,500 and suspended from association with any FINRA member in all capacities for 10 business days. NAC imposed the sanctions based on findings that Noard violated FINRA's suitability rule when he recommended that an elderly retired widow of limited means purchase renewable secured debentures from an emerging growth company that specialized in the viatical settlement business. The NAC found that Noard failed to make the independent, customer-specific suitability determination that the suitability rule requires, failed to tailor his recommendations to the customer's financial situation, objective, and needs, and failed to adequately explain the risks associated with the issuer's debentures.

Noard did not appeal to the SEC. The NAC's decision is final. Noard's suspension was in effect from July 17, 2017, through July 28, 2017. ([FINRA Case #2012034936101](#))

James Louis Orleans ([CRD #1335726](#), Boca Raton, Florida)

June 14, 2017 – An AWC was issued in which Orleans was fined \$5,000 and suspended from association with any FINRA member in all capacities for 15 days. Without admitting or denying the findings, Orleans consented to the sanctions and to the entry of findings that he mismarked 26 order tickets in eight customers' accounts as unsolicited orders, when in fact, the trades were solicited, causing his member firm to maintain inaccurate books and records.

The suspension was in effect from July 3, 2017, through July 17, 2017. ([FINRA Case #2015043417509](#))

Donald Lee Stark ([CRD #728228](#), Denver, Iowa)

June 14, 2017 – An AWC was issued in which Stark was fined \$5,000 and suspended from association with any FINRA member in all capacities for 10 business days. Without admitting or denying the findings, Stark consented to the sanctions and to the entry of findings that he exercised discretion in a senior customer's accounts without the customer's prior written authorization and his member firm's written acceptance of the accounts for discretionary trading. The findings stated that Stark used discretion for the customer's accounts to purchase preferred stocks on 16 occasions and sell preferred stocks on eight occasions. The customer had verbally authorized Stark to manage his portfolio in accordance with certain general parameters, but never granted that authority in writing.

The suspension was in effect from July 3, 2017, through July 17, 2017. ([FINRA Case #2017053310601](#))

Sammy Dexter Legaspi ([CRD #2390025](#), Irvine, California)

June 20, 2017 – An AWC was issued in which Legaspi was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Legaspi consented to the sanctions and to the entry of findings that he had customers sign blank forms, and in some instances made photocopies of blank-signed forms so that he could re-use the customers' signatures. The findings stated that Legaspi maintained the blank forms in his office and at times used forms that customers had signed when they were blank to effect transactions authorized by the client. Legaspi's conduct caused his member firm to have inaccurate books and records.

The suspension is in effect from July 3, 2017, through October 2, 2017. ([FINRA Case #2015046406801](#))

John Charles Piccarreto Jr. ([CRD #6276418](#), San Antonio, Texas)

June 20, 2017 – An AWC was issued in which Piccarreto was assessed a deferred fine of \$15,000, suspended from association with any FINRA member in all capacities for 24 months, and required to requalify as a registered representative by passing the requisite examination prior to either acting in that capacity with any FINRA member, or registering with any FINRA member, following the suspension. Without admitting or denying the findings, Piccarreto consented to the sanctions and to the entry of findings that he participated in private securities transactions, including some transactions by elderly customers, by way of an unregistered, private offering without providing any notification to his member firm, written or otherwise. The findings stated that in exchange for Piccarreto's work with the investors in the offering, he received a salary of \$500 per week from another company he worked for while he was registered with the firm. The findings also stated that Piccarreto provided misleading on-the-record testimony to FINRA in connection with its investigation of his firm and other persons and entities that are related to the offering. FINRA asked questions of Piccarreto regarding facts, people, and entities associated with the offering. Piccarreto claimed to have very limited knowledge about these facts, people and entities and failed to disclose his participation in the offering.

The suspension is in effect from July 3, 2017, through July 2, 2019. ([FINRA Case #2016049059201](#))

Matthew Clary Smith ([CRD #4808337](#), Spartanburg, South Carolina)

June 20, 2017 – An AWC was issued in which Smith was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Smith consented to the sanctions and to the entry of findings that, in violation of his member firm's WSPs, he maintained customer-signed but otherwise blank forms for clients to submit to his firm in connection with mutual fund exchanges. The findings stated that the pre-signed forms, which were mutual fund investor acknowledgements and universal switch letters, were completed and submitted to the firm following the execution of the transactions. The firm did not require these forms to be signed prior to the transactions.

The suspension is in effect from July 17, 2017, through October 16, 2017. ([FINRA Case #2016050244601](#))

Judy Buchanan Healy ([CRD #4000812](#), West Melbourne, Florida)

June 21, 2017 – An AWC was issued in which Healy was assessed a deferred fine of \$25,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Healy consented to the sanctions and to the entry of findings that she sold, or caused to be sold, an initial public offering to her father's account; her father, at the time of the sales, was a restricted person because he was her immediate family member.

The suspension is in effect from July 3, 2017, through August 16, 2017. ([FINRA Case #2015046150901](#))

Larry Charles Wolfe ([CRD #502361](#), Boca Raton, Florida)

June 21, 2017 – An AWC was issued in which Wolfe was fined \$5,000 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Wolfe consented to the sanctions and to the entry of findings that he exercised discretion in customer accounts by submitting sell orders to sell one particular security in each customer account without obtaining the customers' prior written authorization to exercise discretion in their accounts and having his member firm's approval of the customer accounts for discretionary trading.

The suspension was in effect from July 3, 2017, through July 24, 2017. ([FINRA Case #2016048456401](#))

Ryan Sanford Lawson ([CRD #4959209](#), Bowling Green, Kentucky)

June 22, 2017 – An AWC was issued in which Lawson was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 30 calendar days. Without admitting or denying the findings, Lawson consented to the sanctions and to the entry of findings that he impersonated a member firm customer over the phone and then asked an employee of the firm's bank affiliate to impersonate the customer's wife to effectuate an account transfer to the firm from another firm. The findings stated that while the customer and his wife, both of whom are elderly, had expressed an intention to transfer their funds to Lawson's firm, they were not aware of, and did not authorize, Lawson to impersonate them in order to effectuate the transfer.

The suspension was in effect from July 3, 2017, through August 1, 2017. ([FINRA Case #2016051344701](#))

Jon Timothy VanSlooten ([CRD #2011865](#), Toledo, Ohio)

June 22, 2017 – An AWC was issued in which VanSlooten was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, VanSlooten consented to the sanctions and to the entry of findings that he exercised discretionary trading authority and effected approximately 586 trades in the accounts of four customers without the customers prior written authorization and without having obtained his member firm's approval to treat the accounts as discretionary. The findings stated that the firm's WSPs prohibited its registered representatives from exercising discretionary authority over client accounts.

The suspension is in effect from July 3, 2017, through October 2, 2017. ([FINRA Case #2016048946201](#))

John Joseph Gorman IV (CRD #1070636, Austin, Texas)

June 26, 2017 – An Offer of Settlement was issued in which Gorman was suspended from association with any FINRA member in all capacities for nine months. In light of Gorman's financial status, no monetary sanction has been imposed. Without admitting or denying the allegations, Gorman consented to the sanction and to the entry of findings that he willfully failed to timely amend his Form U4 to disclose a federal tax lien. The findings stated that Gorman also failed to timely respond to FINRA requests for information and documents, which impeded FINRA's investigation concerning his alleged use of business funds to pay personal expenses and whether he maintained securities accounts away from his member firm without its approval.

The suspension is in effect from July 3, 2017, through April 2, 2018. ([FINRA Case #2014040771903](#))

John Arthur Dettelbach (CRD #66366, Pepper Pike, Ohio)

June 27, 2017 – An AWC was issued in which Dettelbach was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 10 business days. Without admitting or denying the findings, Dettelbach consented to the sanctions and to the entry of findings that he exercised discretion in customers' accounts without obtaining the customers' written authorization or obtaining his member firm's written authorization to service the accounts on a discretionary basis. The findings stated that Dettelbach discussed all trades and received prior verbal authorization from the customers for multiple purchases and sales of products, but exercised his discretion in executing those transactions on future dates.

The suspension was in effect from July 3, 2017, through July 17, 2017. ([FINRA Case #2016051636701](#))

Mitchell G. Behm (CRD #2828588, Lakewood, Colorado)

June 28, 2017 – An AWC was issued in which Behm was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for seven months. Without admitting or denying the findings, Behm consented to the sanctions and to the entry of findings that he financed the purchase of a vacation home from an elderly customer of his member firm by taking an \$180,000 loan from the customer without prior written permission from or notice to the firm. The findings stated that the elderly firm customer was not a member of Behm's immediate family, and he was the registered representative assigned to the customer's accounts. The firm's written policies prohibited loans with customers. The findings also stated that Behm willfully failed to file an amended Form U4 disclosing that he filed a Chapter 13 bankruptcy petition. Behm falsely represented that he did not have any reportable bankruptcies on 24 Form U4 amendments filed from the time of the bankruptcy petition on April 29, 2009, through January 2014. In addition, Behm falsely represented on a firm compliance questionnaire that he had not filed for bankruptcy since his last firm compliance audit.

The suspension is in effect from July 3, 2017, through February 2, 2018. ([FINRA Case #2016048629001](#))

Robert Brian Lefkowitz ([CRD #1574656](#), Miami, Florida)

June 29, 2017 – An AWC was issued in which Lefkowitz was fined \$5,000 and suspended from association with any FINRA member in any principal capacity for five months. Without admitting or denying the findings, Lefkowitz consented to the sanctions and to the entry of findings that while acting as his member firm’s President, CEO and CCO, he was aware that a statutorily disqualified person continued to associate with the firm and conduct a securities business while suspended by FINRA, by among other things, communicating with the firm’s customers about securities holdings and account statements, and making securities recommendations to its customers. The findings stated that during the suspension period, Lefkowitz was also aware that the individual engaged in clerical activities on the firm’s behalf by, among other things, communicating with the firm’s vendors.

The suspension is in effect from July 17, 2017, through December 16, 2017. ([FINRA Case #2016047565701](#))

Kejuan Yang ([CRD #6312461](#), Woodside, New York)

June 29, 2017 – An AWC was issued in which Yang was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 30 business days. Without admitting or denying the findings, Yang consented to the sanctions and to the entry of findings that she participated in a private securities transaction without prior notice to her member firm. The findings stated that Yang solicited individuals to invest in a real estate-related private placement. One of the individuals invested \$10,000 in the private placement. Yang did not receive any selling compensation in connection with the solicitations or the sale.

The suspension was in effect from July 3, 2017, through August 14, 2017. ([FINRA Case #2016050545001](#))

Richard S. Botkin ([CRD #1571729](#), Granite Bay, California)

June 30, 2017 – An AWC was issued in which Botkin was fined \$15,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Botkin consented to the sanctions and to the entry of findings that he participated in private securities transactions without first providing written notice to his firm or obtaining its approval. The findings stated that Botkin sought and received his firm’s approval to participate in an outside business, a production company designed to create a documentary film. Botkin started selling shares in the production company, including \$170,000 worth of shares to four firm customers and another \$75,000 worth of shares to two non-customers. The firm prohibited its registered representatives from participating in private securities transactions without providing prior

written notice of the transactions to the firm and obtaining the firm's approval. Botkin also provided false answers in response to the firm's annual compliance attestations regarding his participation in private securities transactions.

The suspension is in effect from July 17, 2017, through November 16, 2017. ([FINRA Case #2015045890001](#))

Say Nie Sam (CRD #5556645, Millbrae, California)

June 30, 2017 – An AWC was issued in which Sam was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Sam consented to the sanctions and to the entry of findings that she falsified five wire transfer forms totaling \$81,300 for a customer by affixing photocopies of the customer's signature to the wire transfer forms and submitting them to her member firm as authentic documents from the customer. The findings stated that while the customer did not sign the wire transfer forms submitted to the firm, the customer authorized each transaction.

The suspension is in effect from July 3, 2017, through September 2, 2017. ([FINRA Case #2016051210501](#))

Individuals Sanctioned

Adriana Piltz (CRD #5066217, Astoria, New York)

June 21, 2017 – An AWC was issued in which Piltz was censured. In light of Piltz's financial status, no monetary sanctions have been imposed. Without admitting or denying the findings, Piltz consented to the sanctions and to the entry of findings that, as her member firm's director of research, she did not adopt and implement supervisory procedures reasonably designed to ensure that her member firm and its employees' research reports complied with the disclosure requirements of NASD Rule 2711(h). The findings stated that the firm's WSPs relating to research stated that research analysts may not distribute any research report without prior review and approval by research department supervisory staff and that the firm has an automated system that generates the disclosures required by FINRA Rule 2711. The firm's WSPs did not, however, describe any more specific process by which the firm would ensure that such required disclosures were actually made. Nor did the firm have any systems in place to track and ensure that certain required disclosure items were included in the research reports it disseminated. The findings also stated that Piltz failed to adequately review the content and final versions of 11 research reports published by the firm to ensure that disclosures required under NASD Rule 2711(h) were properly included, that the price targets had a reasonable basis, and that the valuation methods used to determine price targets were disclosed in the research reports. ([FINRA Case #2013034982604](#))

Decisions Issued

The Office of Hearing Officers (OHO) issued the following decision, which has been appealed to or called for review by the NAC as of June 30, 2017. The NAC may increase, decrease, modify or reverse the findings and sanctions imposed in the decision. Initial decisions where the time for appeal has not yet expired will be reported in future *FINRA Disciplinary and Other Actions*.

Cantone Research Inc. ([CRD #26314](#), Tinton Falls, New Jersey), Anthony Joseph Cantone ([CRD #1066139](#), Cape Coral, Florida) and Christine Louise Cantone ([CRD #2687618](#), Cape Coral, Florida)

June 6, 2017 – An OHO Decision was appealed to the NAC by the firm, Anthony Cantone and Christine Cantone, and also by FINRA. The firm and Anthony Cantone were fined a total of \$150,000, jointly and severally. Anthony Cantone was suspended from association with any FINRA member in all capacities for a total of 15 months. The firm and Christine Cantone were fined \$75,000, jointly and severally. Christine Cantone was suspended from association with any FINRA member in all capacities for six months. The sanctions were based on findings that the firm and Anthony Cantone made fraudulent misrepresentations and omissions of material fact in connection with the offer and sale of a real estate developer’s related certificates of participation (COPs) in private placement offerings to investors for more than \$8 million, earning more than \$1 million in fees, commissions and other payments.

The findings stated that the firm and Anthony Cantone willfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5, and FINRA Rule 2020. The findings also stated that the firm and Anthony Cantone negligently made additional material omissions in connection with the sales of securities, in violation of Sections 17(a)(2) and (3) of the Securities Act of 1933. The firm and Anthony Cantone’s failure to inform prospective investors in offerings—to whom he proposed extending the maturity dates of their notes—of the changes in the interest rate and other fees assessed against the real estate developer, a central figure in the offerings, and Anthony Cantone’s failure to inform prospective investors of the developer’s late interest payments and missed principal payments in earlier offerings, constituted material omissions.

The findings also included that the firm, through Christine Cantone, failed to reasonably supervise Anthony Cantone, to accurately and completely disclose all material facts concerning COPs in private placement offerings to investors and prospective investors including customers. Christine Cantone should have exercised her supervisory authority by directing Anthony Cantone to inform investors appropriately. By not doing so, Christine Cantone failed her supervisory obligations as CCO of the firm and Anthony Cantone’s supervisor. It was determined that FINRA failed to establish that the firm and Anthony Cantone made improper use of customer funds and recommended an unsuitable investment. The causes of action alleging these violations were dismissed.

The sanctions are not in effect pending review. ([FINRA Case #2013035130101](#))

Richard Anthony McCollam ([CRD #1419048](#), Lafayette, California)

June 7, 2017 – McCollam appealed the OHO Decision to the NAC. McCollam was fined \$10,000 and suspended from association with any FINRA member in all capacities for nine months. The sanctions were based on findings that McCollam willfully failed to timely disclose two customer arbitrations and six written customer complaints on a Form U4. The findings stated that McCollam's failure to disclose the customer arbitrations and customer complaints constituted material omissions. FINRA failed to prove by a preponderance of the evidence that McCollam had notice of another customer complaint before he filed the Form U4. Therefore, the Hearing Panel declined to find that McCollam should have disclosed it on the Form U4 he filed.

The sanctions are not in effect pending review. ([FINRA Case #2012035284301](#))

Jim Jinkook Seol ([CRD #2876279](#), Lake Forest, California)

June 14, 2017 – Seol appealed an OHO decision to the NAC. Seol was barred from association with any FINRA member in all capacities. The findings stated that Seol engaged in undisclosed outside business activities through engaging in private securities transactions and made misrepresentations to his member firm in compliance questionnaires. The findings also stated that Seol formed a new business to market U.S. investments to overseas investors through the U.S. government's EB-5 program, which permits foreign investors to obtain a U.S. Visa in exchange for investing in projects that create U.S. jobs. By soliciting the purchase of \$100 million of limited partnership interests by his outside business investors, Seol participated in private securities transactions without prior disclosure to the firm. Shortly after project funding began, both the U.S. Securities and Exchange Commission and FINRA's Department of Enforcement contacted Seol as part of separate investigations into his business. Prior to these regulator inquiries, Seol concealed his outside business activities from his firm. Despite starting the business in September 2011, and traveling to Asia between June 2012 and December 2013 on multiple occasions to solicit business, Seol concealed his outside business on annual compliance questionnaires he provided to his firm in February 2012, February 2013 and February 2014. Seol was confronted by senior members of his firm in an April 2014 interview after the firm received the inquiry from FINRA. During this interview, Seol explained the EB-5 program and how he formed the outside business in 2011, but claimed it had not generated any business until the end of 2013. Seol claimed that he had not received any compensation, had not solicited any firm clients, and did not think he had to disclose the outside business activity because he had not received any compensation. Seol claimed that after speaking to counsel, he realized that he was wrong about not disclosing his activities and was eager to fix the situation. Shortly after Seol's belated revelation of his outside business activities, the firm terminated him for violating the firm's policy regarding disclosure of outside business activities.

The sanctions are not in effect pending review. ([FINRA Case #2014039839101](#))

Complaints Filed

FINRA issued the following complaints. Issuance of a disciplinary complaint represents FINRA's initiation of a formal proceeding in which findings as to the allegations in the complaint have not been made and does not represent a decision as to any of the allegations contained in the complaint. Because these complaints are unadjudicated, you may wish to contact the respondents before drawing any conclusions regarding these allegations in the complaint.

Kim Dee Isaacson ([CRD #855618](#), Farmington, Utah)

June 9, 2017 – Isaacson was named a respondent in a FINRA complaint alleging that he made fraudulent misrepresentations and omissions of material facts to a customer at his member firm regarding the customer's account values and Isaacson's purchases and sales of securities in the customer's accounts. The complaint alleges that on telephone calls Isaacson conducted with the customer, he intentionally and repeatedly misrepresented the actual daily value of the customer's firm accounts such that, by January 2014, the customer believed his accounts to be worth \$3.1 million more than their actual value. Isaacson made the misrepresentations in order to conceal losses and that the customer's accounts were not achieving the four percent to six percent return that Isaacson promised. Prior to January 10, 2014, Isaacson never corrected his misrepresentations about the value of the customer's accounts and never told the customer that he had continued to purchase shares of a security and longer-term bonds despite the customer's explicit instructions to the contrary. As a result of his misconduct, Isaacson willfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5, and violated FINRA Rule 2020.

The complaint also alleges that Isaacson effected approximately 360 unauthorized trades in the customer's accounts, including transactions in certain securities the customer had expressly prohibited Isaacson from purchasing. Isaacson failed to discuss these trades with the customer and made additional misrepresentations to the customer regarding certain transactions, effectively concealing his unauthorized trades. Isaacson did not inform the customer of or seek the customer's approval for the transactions he effected in the customer's non-discretionary firm accounts. The complaint also alleges that when the customer discovered Isaacson's misconduct in January 2014, Isaacson attempted to settle the customer's complaint away from his firm. Isaacson offered to pay the customer \$100,000 a year, or to invest money the customer had available through a line of credit with the firm. In the event the customer selected the latter option, Isaacson offered to make interest payments due on the customer's line of credit until his trading generated sufficient funds to repay both the line of the credit and the \$3.1 million the customer believed his accounts had earned based on Isaacson's misrepresentations. Isaacson's proposed settlement with the customer was made without the firm's knowledge or approval.

([FINRA Case #2014040199101](#))

Demitrios Hallas ([CRD #4199832](#), New York, New York)

June 16, 2017 – Hallas was named a respondent in a FINRA complaint alleging that he failed to appear and provide testimony FINRA requested relating to certain events that he was required to disclose on his Form U4 and a customer complaint that alleged that he recommended an unsuitable transaction in a variable annuity. The complaint alleges that FINRA was investigating the customer complaint and other potential sales practice allegations. ([FINRA Case #2015047828802](#))

Lona Marie Nanna ([CRD #1618128](#), Phoenix, Arizona)

June 22, 2017 – Nanna was named a respondent in a FINRA complaint alleging that she failed to timely update the Form U4 of her member firm's CEO to disclose outside business activities. The complaint alleges that Nanna was responsible for filing Form U4 amendments on behalf of the firm's registered persons. Nanna knew about outside business activities in which the CEO was engaged; however, she made the filings years late and only after FINRA began an investigation into fraudulent activity that involved the outside business activities. ([FINRA Case #2014043854402](#))

Kyle Patrick Harrington ([CRD #2282328](#), San Diego, California) and Linda C. Milberger ([CRD #4939206](#), Orlando, Florida)

June 23, 2017 – Harrington and Milberger were named respondents in a FINRA complaint alleging that Harrington converted customer funds by, intentionally and without authorization, taking and exercising ownership over \$19,874.64 belonging to one of his customers when he neither owned the property nor was entitled to possess it. The complaint alleges that Milberger falsified a wire request form she had received from the customer on at least two occasions by removing and replacing information appearing on the original form the customer had signed and notarized. Milberger submitted the falsified wire request forms to the customer's broker-dealer, as if they were authentic, in order to complete wire transfers. As a result of her falsification of the wire request forms, Milberger made possible the conversion of the customer's money by Harrington.

The complaint also alleges that Harrington engaged in a series of private securities transactions with at least two individuals through which he sold over 300,000 shares of restricted stock he had purportedly received as compensation from a company for approximately \$276,000. Harrington failed to provide his member firm with prior written notice of his private securities transactions, including his proposed role as seller in the transactions. The complaint further alleges that Harrington lied to his firm when he mischaracterized the purpose of payments received into his bank accounts. Specifically, Harrington falsely characterized three payments received from one of the individuals for the purchase of the stock as vacation-rental-by-owner (VRBO) income. Harrington also falsely characterized the \$100,000 payment he received from the other individual for the purchase of stock as a payment from his former broker-dealer. In addition, Harrington knowingly caused at least two falsified VRBO rental contracts to be sent to his firm in order

to conceal the true purpose of funds he had received in private securities transactions. In addition, the complaint alleges that the firm sought documents and information from Harrington and Milberger related to a complaint by the customer. In response, Milberger provided the firm with wire request forms that she had falsified to complete the transactions at issue and failed to advise the firm that the forms were not authentic.

Moreover, the complaint alleges that as FINRA began investigating him, Harrington continued to actively conceal his misconduct with the knowing assistance of Milberger. Specifically, at Harrington's direction or with his knowledge and consent, Milberger altered certain bank statements requested by FINRA in order to conceal the originator of a payment Harrington received for the stock. Harrington, by and through his attorney, submitted an altered bank statement to FINRA as if it were an authentic, non-altered document. In addition, during his investigative testimony, Harrington falsely and repeatedly insisted that the fake VRBO agreements he had created were authentic and represented legitimate rental transactions. Additionally, Harrington submitted to FINRA a written response which he falsely stated that he was entitled to the approximately \$20,000 he took from the customer as payment for investment advisory services rendered to her. Furthermore, the complaint alleges that after he learned that FINRA was investigating his conversion of the customer's funds, Harrington contacted the customer and attempted to have her sign a false document stating that he was entitled to the money he stole. ([FINRA Case #2015047303901](#))

Robert Baldwin Del Guercio ([CRD #2639851](#), Cedar Grove, New Jersey)

June 29, 2017 – Del Guercio was named a respondent in a FINRA complaint alleging that he willfully failed to timely amend his Form U4 to disclose two federal tax liens and a civil judgment. The complaint alleges that Del Guercio effected transactions for a customer's securities account pursuant to instructions from the customer's husband without obtaining the customer's written authorization. The customer realized losses of more than approximately \$90,000. ([FINRA Case #2013038393601](#))

Firms Expelled for Failure to Pay Fines and/or Costs Pursuant to FINRA Rule 8320

EDI Financial, Inc. (CRD #15699)
Irving, Texas
(June 2, 2017)
FINRA Case #2012032643701

Legend Securities, Inc. (CRD #44952)
New York, New York
(June 2, 2017)
FINRA Case #2012030989702

Firm Expelled for Failure to Provide Information or Keep Information Current Pursuant to FINRA Rule 9552

Hallmark Investments, Inc. (CRD #135003)
New City, New York
(June 5, 2017)
FINRA Case #2016047626601

Firms Expelled for Failure to Supply Financial Information Pursuant to FINRA Rule 9552

MIP Global, Inc. (CRD #164640)
San Juan, Puerto Rico
(June 19, 2017)

Wyche Securities, Inc. (CRD #40772)
Corvallis, Montana
(June 19, 2017)

Firm Cancelled for Failure to Pay Outstanding CRD Fees Pursuant to FINRA Rule 9553

I.C. Rideau, Lyons & Co., Inc. dba Rideau Lyons & Co. (CRD #17974)
Los Angeles, California
(June 16, 2017)

Firm Suspended for Failure to Supply Financial Information Pursuant to FINRA Rule 9552

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

John James Futures Group, Ltd. dba John James Investments, Ltd. (CRD #37672)
Williamsville, New York
(June 19, 2017)

Individuals Barred for Failure to Provide Information or Keep Information Current Pursuant to FINRA Rule 9552(h)

(If the bar has been vacated, the date follows the bar date.)

Dimitris Alifragis (CRD #5774330)
Keyport, New Jersey
(June 5, 2017)
FINRA Case #2016051316501

Alonza Barnett Jr. (CRD #4577695)
Greensboro, North Carolina
(June 12, 2017)
FINRA Case #2017053125201

Amalia Bocanegra (CRD #6630498)
Mesquite, Texas
(June 27, 2017)
FINRA Case #2017052777601

Christopher Canale (ID #11061494)
Poughkeepsie, New York
(June 12, 2017)
FINRA Case #2016051356101

Nenita Blas Causing (CRD #3111136)
Edison, New Jersey
(June 19, 2017)
FINRA Case #2016052240201

Wilson Chung (CRD #6466623)

San Leandro, California
(June 12, 2017)
FINRA Case #2016051922301

Kenneth Paul Collins Jr. (CRD #2395008)

Holden, West Virginia
(June 20, 2017)
FINRA Case #2016052044201

Laura Johnson Craven (CRD #5484886)

St. Rose, Louisiana
(June 5, 2017)
FINRA Case #2016051532301

Sebastian Joshua Dimond (CRD #4176788)

Phoenix, Arizona
(June 26, 2017)
FINRA Case #2016052622401

Edwin Waite Duguie Jr. (CRD #6617835)

Benton, Maine
(June 19, 2017)
FINRA Case #2016051944001

Megan Eilers (CRD #5258593)

Granite City, Illinois
(June 5, 2017)
FINRA Case #2016051817001

Felicia Anne Figueroa (CRD #6437758)

Upland, California
(June 26, 2017)
FINRA Case #2016051698301

Nicholas C. Gallo (CRD #5908972)

Amityville, New York
(June 20, 2017)
FINRA Case #2016050735501

David Monroe Hawkes (CRD #2863873)

Idaho Falls, Idaho
(June 19, 2017)
FINRA Case #2016052240401

Richard Michael Jones (CRD #6094977)

Pilot Mound, Iowa
(June 23, 2017)
FINRA Case #2016052252801

Israel Jurkevicz (CRD #6443388)

Round Rock, Texas
(June 5, 2017)
FINRA Case #2016051501101

Tika Justice (CRD #5979606)

Trenton, New Jersey
(June 20, 2017)
FINRA Case #2016051288701

Jeffrey Timothy Kluge (CRD #2187964)

Lake Elmo, Minnesota
(June 20, 2017)
FINRA Case #2016052377201

John Bradford Leonard (CRD #2113842)

Perrysburg, Ohio
(June 26, 2017)
FINRA Case #2016050686801

Jonathan Ryan Levano (CRD #6126832)

Reseda, California
(June 19, 2017)
FINRA Case #2016051008101

**Christopher Russell McNamee
(CRD #4271195)**

Miami, Florida
(June 27, 2017)
FINRA Case #2013035303302

Rachel Marie Millyard (CRD #6128927)

Addison, Michigan
(June 19, 2017)
FINRA Case #2016052453501

Shayne Arlington Nelson (CRD #6130416)

Monroe, New Jersey
(June 26, 2017)
FINRA Case #2016052157301

David Ng (CRD #6106757)

Charlotte, North Carolina
(June 26, 2017)
FINRA Case #2016052555701

Darian Curtis Norris (CRD #6123770)

Las Vegas, Nevada
(June 26, 2017)
FINRA Case #2016052023201

Patrick John O'Brien (CRD #2054041)

Stockton, California
(June 23, 2017)
FINRA Case #2016052239501

Vivien Li Ching Ong (CRD #6183180)

Irvine, California
(June 19, 2017)
FINRA Case #2016052176201

Olateju Samson Oyeniyi (CRD #6241625)

Far Rockaway, New York
(June 6, 2017)
FINRA Case #2016051241401

Robert A. Perconte (CRD #1812389)

Bellmore, New York
(June 30, 2017)
FINRA Case #2016049632601

Edward Daniel Prudencio (CRD #6055919)

Houston, Texas
(June 12, 2017)
FINRA Case #2016051964001

Raymond Jesus Rodriguez (ID #11061493)

San Jose, California
(June 27, 2017)
FINRA Case #2016052305401

William Edward Roe (CRD #5771982)

Fontana, California
(June 19, 2017)
FINRA Case #2016050937601

Nicholas Adel Somo (CRD #6593808)

El Cajon, California
(June 12, 2017)
FINRA Case #2016052119001

Michael Allen Sparks (CRD #6140090)

Lexington, Kentucky
(June 12, 2017)
FINRA Case #2016051183501

Alec Michael Tracy (CRD #5703493)

Hockley, Texas
(June 19, 2017)
FINRA Case #2016051908501

Justin Martin West (CRD #6236865)

Berkeley, California
(June 26, 2017)
FINRA Case #2016052156201

Individuals Revoked for Failure to Pay Fines and/or Costs Pursuant to FINRA Rule 8320 (If the revocation has been rescinded, the date follows the revocation date.)

Arturo Fernando Alcocer Romo (CRD #5053160)

San Diego, California
(June 2, 2017)
FINRA Case #2015047460001

Michael Todd Boyd (CRD #2199918)

Malibu, California
(June 2, 2017)
FINRA Case #2015046690101

Kyle Robert Foyer (CRD #2908808)

Carmel, Indiana
(February 16, 2017 – June 5, 2017)
FINRA Case #2013038677001

Steve Dale Heath (CRD #2812758)

Newport News, Virginia
(June 2, 2017 – June 14, 2017)
FINRA Case #2014042674201

David Woods Unsworth Jr. (CRD #1609040)
Belvedere, California
(June 24, 2017)
FINRA Case #2012032370501

Individuals Suspended for Failure to Provide Information or Keep Information Current Pursuant to FINRA Rule 9552(d)

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

Chad Michael Anderson (CRD #4989688)
Steward, Illinois
(June 30, 2017)
FINRA Case #2017053741301

Nicolas Esteban Arango (CRD #2851934)
Whitestone, New York
(June 15, 2017)
FINRA Case #2017053874801

Leonardo S. Araujo (CRD #5625392)
Coral Gables, Florida
(June 16, 2017)
FINRA Case #2016049044601

Michael Biggs (CRD #5477936)
Clovis, California
(June 2, 2017)
FINRA Case #2016051926901

Steven Eugene Bonner (CRD #2061819)
San Jose, California
(June 1, 2017)
FINRA Case #2017052748201

Thomas Joseph Borruso (CRD #5475175)
Astoria, New York
(June 26, 2017)
FINRA Case #2017053360501

Shawn Evan Burns (CRD #3138114)
Holbrook, New York
(June 16, 2017)
FINRA Case #2017053391601

Brian M. Cain (CRD #5880042)
Beloit, Wisconsin
(June 16, 2017)
FINRA Case #2017053633001

Jaime Renato Cerda (CRD #6676992)
Chula Vista, California
(June 2, 2017)
FINRA Case #2017053806801

Steven Gary Dash (CRD #2438498)
New City, New York
(June 16, 2017)
FINRA Case #2016047626602

Diane Lee Dubshinski (CRD #2832380)
Hauppauge, New York
(June 5, 2017)
FINRA Case #2017053468901

Christopher Anthony Fernan (CRD #5896584)
Commack, New York
(June 23, 2017)
FINRA Case #2017053314901

Mark Joseph Flanagan (CRD #1949836)
Highland Park, Illinois
(June 26, 2017)
FINRA Case #2017053609201

Yohandy Gonzalez (CRD #6298112)
Pembroke Pines, Florida
(June 12, 2017)
FINRA Case #2016049683302

Maria Cecilia Yumang Haoson (CRD #6363673)
North Las Vegas, Nevada
(June 12, 2017)
FINRA Case #2017053563501

Bettye Clements Hays (CRD #1307813)

Foley, Alabama
(June 30, 2017)
FINRA Case #2017053749201

David Travis Hicks III (CRD #5218396)

Winter Haven, Florida
(June 16, 2017)
FINRA Case #2016049143701

David Russell Kondracke (CRD #849161)

Naples, Florida
(June 30, 2017)
FINRA Case #2016051547401

Issei Kubota (CRD #5913507)

Kanagawa, Japan
(June 15, 2017)
FINRA Case #2016049774101

Danielle Lamb (CRD #6560373)

Holyoke, Colorado
(June 26, 2017)
FINRA Case #2016052561101

Shawn Brett Larkin (CRD #6458875)

Layton, Utah
(March 6, 2017 – June 2, 2017)
FINRA Case #2016051164301

Dale Anne Luce (CRD #1054337)

Rosenberg, Texas
(June 12, 2017)
FINRA Case #2016051943401

Jacob Richard Luithle (CRD #6317475)

Rogers, Minnesota
(June 30, 2017)
FINRA Case #2017053795201

Susan V. Magann (CRD #2064152)

Riverview, Florida
(June 9, 2017)
FINRA Case #2017053063601

Kenneth P. Mulvaney (CRD #707981)

Milton, Massachusetts
(June 12, 2017)
FINRA Case #2016050424501

Sharon Theresa Noonan (CRD #2306867)

New Milford, New Jersey
(March 13, 2017 – June 2, 2017)
FINRA Case #2016050354801

Lawrence Lee Olivas Jr. (CRD #5885477)

Arroyo Grande, California
(June 16, 2017)
FINRA Case #2016052242201

Marc Harold Pearl (CRD #4242478)

El Dorado Hills, California
(June 1, 2017)
FINRA Case #2015046011701

Gerald Edward Peterson (CRD #6301914)

West Hills, California
(June 16, 2017)
FINRA Case #2017053322701

Douglas A. Rabess (CRD #5676676)

Montgomery, New York
(June 26, 2017)
FINRA Case #2016050595002

Christopher Peter Rose (CRD #4794738)

Mokena, Illinois
(March 24, 2017 – June 2, 2017)
FINRA Case #2016051896001

Florence Santiago (CRD #6297777)

Jersey City, New Jersey
(June 15, 2017)
FINRA Case #2017053717301

Matthew Patrick Seemann (CRD #4956209)

Carlsbad, California
(June 30, 2017)
FINRA Case #2017053018401

Elizabeth Eunyoung Skillman (CRD #6091502)
 Carlsbad, California
 (June 26, 2017)
 FINRA Case #2016050131801

Scott Ellis Stacke (CRD #1666312)
 Lake Bluff, Illinois
 (June 12, 2017)
 FINRA Case #2017053439601

Jon William Stagnone (CRD #2433974)
 Chelmsford, Massachusetts
 (June 12, 2017 – July 12, 2017)
 FINRA Case #2017053312801

Nancy Todd (CRD #5335758)
 Brooklyn, New York
 (June 2, 2017)
 FINRA Case #2017053568801

Robert C. Tsai (CRD #5991559)
 Long Island City, New York
 (June 12, 2017)
 FINRA Case #2017053900601

Individuals Suspended for Failure to Comply with an Arbitration Award or Settlement Agreement Pursuant to FINRA Rule 9554

(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

Clifford Eugene Alexander III (CRD #2651441)
 Flagstaff, Arizona
 (June 20, 2017)
 FINRA Arbitration Case #15-00724

Steven Preston Alexander (CRD #4437162)
 Ledyard, Connecticut
 (June 7, 2017)
 FINRA Arbitration Case #16-03246

Jason Edward Anderson (CRD #4195317)
 Lakeway, Texas
 (June 9, 2017)
 FINRA Arbitration Case #14-02979

Zachary T. Bader (CRD #5902742)
 West Babylon, New York
 (June 8, 2017)
 FINRA Arbitration Case #15-00096

Zachary T. Bader (CRD #5902742)
 West Babylon, New York
 (June 21, 2017)
 FINRA Arbitration Case #15-02075

Lawrence Allen Banks (CRD #5429858)
 Patchogue, New York
 (June 12, 2017)
 FINRA Arbitration Case #13-02396

Chad Ryan Barancyk (CRD #4921433)
 Naples, Florida
 (June 27, 2017 – June 30, 2017)
 FINRA Arbitration Case #16-03206

Jimmie Dean Canole (CRD #1387483)
 Melbourne Beach, Florida
 (August 1, 2012 – June 5, 2017)
 FINRA Arbitration Case #09-05679

Jeremiah Jens Charlson (CRD #4593321)
 Brookings, South Dakota
 (June 7, 2017)
 FINRA Arbitration Case #16-03365

Jude S. Colangelo (CRD #2641823)
 Charlotte, North Carolina
 (June 9, 2017)
 FINRA Arbitration Case #14-01218

Matthew DiGregorio (CRD #2434158)

Oceanside, New York
(June 20, 2017)
FINRA Arbitration Case #16-01204

Philip Orezio Fatta (CRD #1467533)

Holtsville, New York
(June 20, 2017)
FINRA Arbitration Case #15-02268

Thomas M. Fayad (CRD #2335873)

Weehawken, New Jersey
(June 19, 2017)
FINRA Arbitration Case #15-02579

Jeanne Michelle Fisher (CRD #2847553)

Flagstaff, Arizona
(June 21, 2017)
FINRA Arbitration Case #15-00724

Gregory Flemming Jr. (CRD #2882842)

Rocky Point, New York
(June 12, 2017)
FINRA Arbitration Case #13-02396

Robert Furciato Jr. (CRD #3063389)

Union, New Jersey
(June 6, 2017)
FINRA Arbitration Case #16-03136

Michael Dennis Hampton (CRD #4349202)

Orangevale, California
(March 21, 2017 – June 14, 2017)
FINRA Case #2017052954701/ ARB170003/
FINRA Arbitration Case #15-02041

Jeffrey Scott Ickes (CRD #2796426)

Wilmington, Delaware
(June 7, 2017)
FINRA Arbitration Case #16-03418

Omar Tyrone Jeanty (CRD #4296704)

Brooklyn, New York
(June 20, 2017)
FINRA Case #2017053638201/ARB170019

Erik Robert Kneip (CRD #2146481)

Willoughby, Ohio
(June 7, 2017)
FINRA Arbitration Case #16-03416

Jerome Scott Krause (CRD #1582647)

Menomonee Falls, Wisconsin
(June 28, 2017)
FINRA Arbitration Case #15-02088

Michael Scott Lavolpe (CRD #5054798)

Brooklyn, New York
(June 9, 2017)
FINRA Arbitration Case #15-01019

David William Locy (CRD #4682865)

Overland Park, Kansas
(June 19, 2017)
FINRA Arbitration Case #15-02268

Elvin J. Lopez (CRD #3274134)

New York, New York
(June 16, 2017)
FINRA Arbitration Case #15-02268

Mary Helen Caprice Mallett

(CRD #1345520)
Phoenix, Arizona
(June 28, 2017)
FINRA Arbitration Case #12-00348

Devon Coulin McLean (CRD #4072332)

Homestead, Florida
(June 8, 2017)
FINRA Arbitration Case #16-01300

James William Mewborn (CRD #2870309)

Lakeland, Florida
(June 7, 2017)
FINRA Arbitration Case #16-00116

Clifford Paul Murray, M.D. (CRD #2673907)

Boca Raton, Florida
(June 19, 2017)
FINRA Arbitration Case #15-00899

Gary Walter Oliphant (CRD #848002)

Palm Beach Gardens, Florida
(June 7, 2017)
FINRA Arbitration Case #16-00742

**Gregory Jerome Ptasienski Osborn
(CRD #1716402)**

Ridgewood, New Jersey
(June 8, 2017)
FINRA Arbitration Case #16-00842

Clifford Alan Schwartz (CRD #2173244)

West Palm Beach, Florida
(June 5, 2017)
FINRA Cases
#2017053785601/2017053823001/
ARB170020/ARB170021

Michael James Terry (CRD #4402692)

Palmetto, Florida
(June 22, 2017)
FINRA Arbitration Case #15-03203

Antony Lee Turbeville (CRD #1721014)

Lakeland, Florida
(June 19, 2017)
FINRA Arbitration Case #15-02268

Douglas Stuart Veitch Sr. (CRD #1744372)

Colorado Springs, Colorado
(June 9, 2017)
FINRA Arbitration Case #14-02979

Everett Scoville Walker Jr. (CRD #1799546)

West Hollywood, California
(June 8, 2017)
FINRA Arbitration Case #16-01300

Patrick Justin White Sr. (CRD #2346690)

Huntington, New York
(February 24, 2017 – June 15, 2017)
FINRA Arbitration Case #16-02022

John Frederick Wolle (CRD #5479607)

Port St. Lucie, Florida
(June 22, 2017)
FINRA Arbitration Case #15-02273

FINRA Bars Former Morgan Stanley Registered Representative for Using Nominee Accounts to Conceal \$190 Million in Venezuelan Bond Trades

FINRA barred former Morgan Stanley Smith Barney registered representative [John Batista Bocchino](#) for concealing approximately \$190 million in Venezuelan bond trades from the firm, which had restricted such trading due to the regulatory, anti-money laundering and reputational risks it posed. Instead, Bocchino continued to trade in Venezuelan bonds on behalf of his customers, but hid the trades from the firm by using several nominee accounts in the names of well-known U.S. financial institutions, and directing the trades through those accounts. Unbeknownst to these financial institutions, Bocchino executed approximately 300 Venezuelan bond trades in the accounts opened in their names. To further conceal his customers' trading, Bocchino created hundreds of firm documents, including new account forms and trade tickets, that contained false information.

Susan Schroeder, FINRA Acting Head of Enforcement, said, "Mr. Bocchino concealed his customers' identities in order to engage in trading his firm prohibited. FINRA will always pursue misconduct such as Mr. Bocchino's, who evaded the appropriate scrutiny of his firm's AML and compliance departments by falsely creating the appearance of compliance."

FINRA found that Bocchino was able to execute Venezuelan bond trades in violation of Morgan Stanley's policies while at the same time concealing from the firm the true identities of the underlying customers. Since Bocchino concealed these customers and trades from Morgan Stanley, the firm was unable to conduct appropriate suitability and anti-money laundering reviews of the activity. In fact, several of the underlying customers presented regulatory concerns, at least three were not customers of Morgan Stanley and were not approved to trade through the firm, and one previously had its account frozen by the firm.

In a related matter, FINRA also announced that registered representative [Rafael Barela Jacinto](#), Bocchino's sales assistant at Morgan Stanley, was suspended for one year and fined \$10,000 for creating firm documents that contained false information.

In settling [this matter](#), Bocchino and Barela neither admitted nor denied the charges, but consented to the entry of FINRA's findings.