

# Disciplinary and Other FINRA Actions

## Firm Fined, Individual Sanctioned

**Carolina Financial Securities, LLC ([CRD® #41970](#), Brevard, North Carolina) and Bruce Victor Roberts ([CRD #1489110](#), Brevard, North Carolina)**

July 13, 2017 – An Office of Hearing Officers (OHO) decision became final in which the firm was fined \$60,000 and the firm and Roberts were each served with a Letter of Caution. The sanctions were based on findings that the firm made material misrepresentations and omissions in connection with the sale of securities. The findings stated that the firm recommended a funding entity's senior secured notes to investors without conducting an investigation that was sufficient to provide a reasonable basis for determining that the notes were suitable for any investor. The findings also stated that the firm and Roberts made false and misleading communications to the public by distributing offering materials that they should have known contained untrue statements of material fact. The findings also included that the firm and Roberts failed to enforce the firm's Written Supervisory Procedures (WSPs) by permitting certain firm registered representatives to sell the notes even though the representatives had not passed a required quiz designed to test their understanding of the notes.

The Hearing Panel found that FINRA® did not establish that the firm and Roberts knowingly or recklessly made misrepresentations or omissions in the offering materials in violation of Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 thereunder, and FINRA Rule 2020; Roberts negligently made material misrepresentations on the offering materials in contravention of Section 17(a) of the Securities Act of 1933 and in violation of FINRA Rule 2010; Roberts recommended unsuitable securities in violation of FINRA Rules 2111(a) and 2010; and that the firm and Roberts failed to enforce the firm's WSPs in connection with the supervision of its due diligence on the notes. Accordingly, these charges are dismissed. ([FINRA Case #2014040295201](#))

## Firms Fined

**INTL FCStone Financial Inc. ([CRD #45993](#), Winter Park, Florida)**

July 5, 2017 – A Letter of Acceptance, Waiver and Consent (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 close out the fail-to-deliver positions by purchasing or borrowing securities of like kind and quantity within the time frame prescribed by Securities and Exchange Commission (SEC) Rule 204(a) of Regulation SHO. The findings stated that the firm was reasonably allocated fail-to-deliver positions at a registered clearing agency in two equity securities that resulted

## Reported for September 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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from sale transactions. Instead of purchasing or borrowing shares, the firm converted its long positions in ordinary shares into American Depositary Receipts. The findings also stated that in instances involving an equity security, the firm, which had failed to close out a fail-to-deliver position in accordance with Rule 204(a) of Regulation SHO, accepted a short sale order from another person, or effected a short sale for its own account, without first borrowing the security, or entering into a bona-fide arrangement to borrow the security, and did not notify the participant that it was subject to the applicable pre-borrow requirements. ([FINRA Case #2013038552201](#))

**Global Oak Capital Markets LLC ([CRD #125860](#), Charleston, South Carolina)**

July 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 transmit Reportable Order Events (ROEs) to the Order Audit Trail System (OATS™). 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 law and regulations, and FINRA rules, concerning OATS reporting. Specifically, the firm’s supervisory procedures did not provide for all steps that the individual responsible for OATS supervision should take when reviewing rejection repair, out-of-sequence events and late data. ([FINRA Case #2016049203601](#))

**Acorns Securities, LLC ([CRD #168172](#), Irvine, California)**

July 11, 2017 – An AWC was issued in which the firm was censured, fined \$175,000, and required to conduct a comprehensive review of the adequacy of its relevant policies and procedures (written and otherwise). A lower fine was imposed after considering, among other things, the firm’s revenues and financial resources. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to maintain approximately 10 million electronic broker-dealer records 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 22 categories of records spanning many aspects of the firm’s brokerage business, including order tickets, trade confirmations, statements and other transaction-related records. 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 did not have an audit system as required by Securities Exchange Act of 1934 Rule 17a-4(f)(3) for those records it failed to maintain in WORM format. ([FINRA Case #2016052098301](#))

**BNY Mellon Capital Markets, LLC ([CRD #17454](#), New York, New York)**

July 11, 2017 – An AWC was issued in which the firm was censured, fined \$150,000, 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 failed to report Trade Reporting and

Compliance Engine® (TRACE®)-eligible securitized products transactions to TRACE within the time prescribed by FINRA Rule 6730. The findings stated that the firm failed to report TRACE-eligible agency debt securities transactions to TRACE within the time permitted by Rule 6730. The findings also 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 FINRA rules. Specifically, the firm's WSPs failed to provide for one or more of the minimum requirements for adequate WSPs related to timely submission of accurate reports to TRACE. ([FINRA Case #2015047655501](#))

**COR Clearing LLC ([CRD #117176](#), Omaha, Nebraska)**

July 11, 2017 – An AWC was issued in which the firm was censured and fined \$35,000. 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 long sale, and did not close out the fail-to-deliver position by purchasing or borrowing securities of like kind and quantity within the time frame prescribed by SEC Rule 204(a)(1) 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 a sale of a security that the seller was deemed to own and intended to deliver once all restrictions on delivery had been removed, and did not close out the fail-to-deliver position by purchasing or borrowing securities of like kind and quantity within the time frame prescribed by SEC Rule 204(a)(2) of Regulation SHO. ([FINRA Case #2014040462001](#))

**Spartan Securities Group, Ltd. ([CRD #104478](#), Clearwater, Florida)**

July 11, 2017 – An Offer of Settlement was issued in which the firm was censured and fined \$100,000. Without admitting or denying the allegations, the firm consented to the sanctions and to the entry of findings that it failed to establish and implement an appropriate anti-money laundering (AML) program related to its business of accepting low-priced securities for deposit and liquidation. The findings stated that the firm did not have a system to collectively analyze over time account opening documents, securities deposits, account transactions and public information in order to detect potentially suspicious patterns of activity. Consequently, the firm failed to appropriately detect, investigate and report, where appropriate, eight instances of suspicious activity. Although the firm's customers and their activities triggered a variety of AML red flags, the firm failed to appropriately identify and follow up on the red flags. The firm did not have a system to look across different types of activity and sources of information to detect and investigate potentially suspicious activity or patterns of activity. Therefore, when a customer or his activity triggered one red flag, the firm did not look at various sources to determine whether other red flags were also triggered by the customer and/or his activity in order to determine whether the firm should file a Suspicious Activity Report (SAR). ([FINRA Case #2013036389101](#))

**State Street Global Markets, LLC ([CRD #285852](#), Boston, Massachusetts)**

July 11, 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 its relevant policies and procedures (written and otherwise). Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to maintain electronic brokerage records in WORM format. The findings stated that the firm failed to maintain in WORM format brokerage records pivotal to its business, including approximately 86 million records of orders placed by certain of its institutional clients through one business line and approximately 45.5 million records of orders placed by certain of its institutional clients through another business line. The vast majority of these records were unexecuted orders placed by institutional clients through the firm’s alternative trading system (ATS) trading platform.

The findings also stated that the firm failed to store separately from the original, duplicate copies of approximately 244.5 million records of orders placed by its customers, records of orders executed by the firm and electronic communications. The findings also included that the firm did not have an audit system as required by Securities Exchange Act of 1934 Rule 17a-4(f)(3) for those records it failed to maintain in WORM format. FINRA found that the firm failed to establish, maintain and enforce WSPs reasonably designed to achieve compliance with Exchange Act Rule 17a-4. Although the firm’s WSPs contained provisions for storing electronic records in WORM format, it failed to adequately enforce these procedures to ensure that all such records were maintained in WORM format. ([FINRA Case #2016051821601](#))

**UBS Financial Services Inc. ([CRD #8174](#), Weehawken, New Jersey)**

July 11, 2017 – An AWC was issued in which the firm was censured, fined \$190,000, and required to revise its WSPs. In resolving this matter, FINRA took into consideration that the firm had made offers of rescission. 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 the rule. The findings stated that the firm failed to disclose all material facts concerning municipal securities transactions at or prior to the time of trade. Specifically, the firm failed to inform its customers that the municipal securities transactions were in amounts below the minimum denomination of the issue. 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 the Municipal Securities Rulemaking Board (MSRB) rules, concerning municipal securities transactions effected on behalf of a customer below an issue’s minimum denomination as stated on relevant offering statements. The firm’s supervisory system remained deficient even after the SEC imposed an undertaking as part of its November 4, 2014, order against the firm, in which the firm was required to review, and thereafter make such changes as necessary to its policies and procedures to ensure

compliance with MSRB Rule G-15(f). As a result of the deficiencies in its supervisory system, the firm executed additional transactions below the minimum denominations of an issue. ([FINRA Case #2015046579201](#))

**Mercury Securities, LLC ([CRD #40368](#), San Rafael, California)**

July 12, 2017 – An AWC was issued in which the firm was censured and fined \$5,000. A lower fine was imposed after considering, among other things, the firm’s revenues and financial resources. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to comply with its obligations to review, approve, document and supervise private securities transactions disclosed by three of its registered representatives. The findings stated that the firm approved outside business activities of three representatives who were engaging in private securities transactions for compensation through those outside businesses. The firm’s WSPs stated that the firm’s representatives were prohibited from engaging in private securities transactions unless the representative provided a written notice containing information about the proposed transactions to the firm, which would then approve or disapprove them in writing. The firm’s WSPs further provided that if it approved the proposed private securities transactions, it would record the transactions on its books and records and supervise the transactions. Despite red flags that representatives were engaging in private securities transactions, including the disclosures made by those representatives in connection with their outside business activities, the firm failed to follow its procedures by not collecting sufficient information about those private securities transactions or approving or disproving them. Furthermore, the firm failed to record those transactions on its books and records and failed to adequately supervise the transactions as if they were executed on the firm’s behalf. ([FINRA Case #2015043459301](#))

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

July 13, 2017 – An AWC was issued in which the firm was censured and fined \$725,000. 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 an adequate supervisory system, including written procedures, concerning the creation and dissemination of consolidated reports. The findings stated that during this time period, the firm made available to its registered representatives two centralized and automated tools, which provided templates for reports that could be used to, among other things, present comprehensive financial information to customers, including outside asset information. The two tools drew information from the firm’s centralized system to populate reports with information regarding assets held at the firm. Due to an unintentional vendor-created design flaw, one of the tools for a time allowed representatives to manually edit assets held at the firm. While the firm used internally approved templates, it did not have any system or written procedures in place reasonably designed to minimize the risk that the reports could contain inaccurate information that potentially could be misused.

In addition, although representatives printed the reports and provided them to customers, the firm could track only whether a report was printed. It did not have any system or procedures to track whether reports were provided to customers. Representatives at the firm generated approximately 52 million reports using the two tools. The firm did not have any reasonably designed system or procedures in place to mitigate the risks described in FINRA Regulatory Notice 10-19, nor did it have in place a centralized review process. The firm did not have any policies or procedures to guide its registered representatives regarding the creation and use of the reports, and did not have any guidance regarding how representatives should include outside asset information in the reports, and whether steps should be taken to verify that information before it was included.

Further, there were not any procedures or guidance regarding updating the outside information included in the reports, such as how often and with what source materials. Moreover, the firm did not have any ability to determine whether the reports generated by the representatives were actually delivered to customers. ([FINRA Case #2016049783001](#))

**Maxim Group LLC ([CRD #120708](#), New York, New York)**

July 13, 2017 – An AWC was issued in which the firm was censured; fined \$120,000; ordered to pay \$21,561.89, plus interest, in restitution to customers; 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 after trading for its own market-making account, it failed to execute customer orders in over-the-counter (OTC) equity securities at a price that would have satisfied each customer's order. The findings stated that after trading for its own market-making account, the firm failed to execute customer orders in OTC equity securities, and after trading for its own market-making account, it failed to immediately execute customer orders in OTC equity securities up to the size at which it traded for its own account. The findings also stated that the firm published a quotation for an OTC equity security or a non-exchange-listed security, or, directly or indirectly, submitted such quotation for publication, in a quotation medium—that is, OTC link—and did not have in its records the documentation and information required by Securities Exchange Act of 1934 Rule 15(c)2-11(a) and (b) (Paragraphs (a) and (b) information), and, based upon a review of the Paragraphs (a) and (b) information, did not have a reasonable basis under the circumstances for believing that the Paragraph (a) information was accurate in all material respects, and the sources of the Paragraph (a) information were reliable. The quotations did not represent a customer's indication of unsolicited interest. The findings also included that the firm failed to file Form 211 with FINRA at least three business days before the quotations were published or displayed in a quotation medium. The firm submitted quotations for publication in a quotation medium—that is, OTC link—based on an order that was received from another broker-dealer, without contemporaneously recording the identity of the person from whom information regarding the unsolicited customer order or indication of interest was received.

FINRA found that the firm failed to publish immediately a bid or offer that reflected the full size of customer limit orders for OTC equity securities held by the firm that were at a price that would have improved the bid or offer of the firm in such securities. FINRA also found that the firm failed to contemporaneously or partially execute a customer limit order in an OTC equity security after it traded the subject security for its own market-making account at a price that would have satisfied the customer's limit order; traded for its own market-making account at prices that would have satisfied customer limit orders in OTC equity securities and failed to immediately thereafter execute the customer limit orders up to the size and at the same, or better, price at which it traded for its own account; and traded for its own market-making account and failed to immediately thereafter execute customer limit orders in OTC equity securities up to the size at which it traded for its own account. In addition, FINRA determined that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to securities laws and regulations and FINRA rules. ([FINRA Case #2012035213901](#))

**ANZ Securities, Inc. ([CRD #36654](#), New York, New York)**

July 17, 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 S1 transactions in TRACE-eligible securities to TRACE within 15 minutes of the execution time. ([FINRA Case #2015047818301](#))

**Centennial Securities Company, Inc. ([CRD #7763](#), Grand Rapids, Michigan)**

July 17, 2017 – An AWC was issued in which the firm was censured; fined \$45,000; required to offer rescission to the customers who executed the transactions in the related municipal security at either the original purchase price or the current fair market value, whichever is higher; 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 effected customer transactions in a municipal security in an amount lower than the minimum denomination of the issue that was not subject to an exception under MSRB Rule G-15(f). The findings stated 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. 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 the MSRB rules, concerning municipal securities transactions effected on behalf of a customer below an issue's minimum denominations as stated on relevant offering statements. ([FINRA Case #2015046581101](#))

**Goldman Sachs & Co. LLC ([CRD #361](#), New York, New York)**

July 17, 2017 – An AWC was issued in which the firm was censured; fined a total of \$2,500,000, of which \$1,425,000 is payable to FINRA; and required to address its Large Options Positions Reporting (LOPR) deficiencies and ensure that it has implemented controls and procedures that are reasonably designed to achieve compliance with the applicable rules and regulations. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report more than 16,700 OTC options positions in at least approximately 6.8 million instances to the LOPR system, and failed to report an unknown number of intraday positions.

The findings stated that the firm failed to report certain OTC options positions in approximately 1.6 million instances to the LOPR due to a failure to aggregate positions for acting in concert purposes in certain customer and firm accounts. The firm failed to report OTC options positions to the LOPR for a potentially significant but an unknown number of instances involving approximately 671,080 rejected records that were not resubmitted to the LOPR. The firm inaccurately reported OTC option positions to the LOPR in at least approximately 12.7 million instances. Specifically, the firm misreported approximately 673,970 options positions in 12,398,780 instances with various formatting issues, which included account names not identifiable; account names truncated; invalid street address; invalid or blank inputs for city, state or zip code; incorrect account type; and invalid tax numbers; failed to properly identify and/or mark OTC option positions as acting in concert and erroneously marked at least 282 accounts with oscillating duplicative in concert identifications in the customer range in 259,793 instances; failed to report or under-reported OTC options positions in 73,078 instances; over-reported OTC option positions in 15,410 instances; misreported LOPR imbalances in 33 symbols for an aggregate 186 days in an unknown number of positions and instances; and failed to delete positions from the LOPR with incorrect effective dates in an unknown number of positions and instances. The firm effected opening transactions for its proprietary account and for the account of a customer that exceeded the applicable position limit in one OTC option, that ranged from approximately 251 percent to 280 percent over the applicable limit for the security. The firm effected opening transactions for the account of a customer that exceeded the applicable position limit in one OTC option from April 25, 2016, through April 29, 2016, by 2,336 contracts, or .9344 percent. From at least August 2015, the firm effected an opening transaction for the account of a customer that exceeded the applicable position limit in one OTC option on both sides of the market from August 2015 through February 21, 2016, by 15,998 contracts or 64 percent.

The findings also stated that the firm failed to establish and maintain an adequate supervisory system, including a system of follow-up and review that was reasonably designed to achieve compliance with the rules governing the reporting of options positions to the LOPR system and compliance with applicable position limits. In addition, the firm's supervisory system did not include sufficient WSPs to ensure the proper reporting of

positions to the LOPR. Prior to April 14, 2011, the WSPs failed to list any supervisory step(s) to be taken to review for the overall accuracy of submissions to the LOPR. Subsequently, the firm's WSPs failed to list the supervisory step(s) to be taken to review for accounts acting in concert or to review rejected LOPR submissions to ensure that rejected records are resubmitted when required. ([FINRA Case #2012031318001](#))

**B.C. Ziegler and Company ([CRD #61](#), Chicago, Illinois)**

July 19, 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 effected a customer purchase of a municipal security, in an amount below the required minimum denomination, without first determining that the securities being purchased were the result of the liquidation of an entire position already below the minimum denomination. The findings stated that the firm effected customer transactions in a municipal security below the applicable minimum denomination without providing the required written statement. The findings also stated that the firm was a party to a referral agreement to solicit conduit borrowers on behalf of a third-party registered investment advisor with whom it was formerly affiliated. The firm would receive referral fee compensation if conduit borrowers retained the third-party registered investment advisor to provide certain investment advisory services. The firm failed to timely disclose to eight issuers in negotiated offerings, at the time of its underwriting engagement, the potential conflict of interest arising from its referral arrangement with the third-party registered investment advisor. The firm provided written disclosures at the time of its engagement referencing its prior affiliation with the third-party registered investment advisor, and later made written disclosures regarding the potential for referral fees thereafter, in issuer presentations or in connection with the preparation of official statements for the offering. ([FINRA Case #2015043640601](#))

**Trident Partners Ltd. ([CRD #41258](#), Woodbury, New York)**

July 19, 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 failed to establish, maintain, and enforce a reasonable supervisory system and WSPs to ensure that recommendations were suitable for its sale of steepeners, a complex, structured product. The findings stated that the firm did not have any WSPs or supervisory system specific to steepeners or tailored to this line of the firm's business, and failed to have any process in place to evaluate and conduct due diligence on steepeners it intended to sell to the public. In addition, the firm did not have and did not provide to its sales force any training or guidance to determine the risks of purchasing steepeners or to evaluate the suitability of this type of structured product for its customers. Thus, when the firm began recommending that firm customers buy steepeners, it had failed to provide its registered representatives the necessary tools and training to determine whether there was a reasonable basis to offer such products to the public. The firm did not employ a reasonable system to supervise its steepener business to monitor for, among other things, suitability and over-concentration of positions in customer accounts.

The findings also stated that the firm permitted representatives to recommend steepeners to their customers even though it failed to ensure that they had sufficient knowledge of steepeners prior to offering those products for sale. In fact, the firm did not have sufficient knowledge of the product, particularly the risks associated with steepeners, including the risks associated with interest rate resets, the possibility that the reset interest rate could drop to as low as zero, and the potentially illiquid nature of steepeners in the secondary market, among other risks. The firm allowed its representatives to offer steepeners to retail customers before it had performed any reasonable-basis suitability analysis of the products to understand the risks and features associated with steepeners. ([FINRA Case #2012030775201](#))

**Electronic Transaction Clearing, Inc. ([CRD #146122](#), Los Angeles, California)**

July 24, 2017 – An Offer of Settlement was issued in which the firm was censured and fined \$250,000. Without admitting or denying the allegations, the firm consented to the sanctions and to the entry of findings that it failed to implement AML policies, procedures, and internal controls reasonably expected to detect and cause the reporting of suspicious transactions, and reasonably designed to achieve compliance with the Bank Secrecy Act and the implementing regulations promulgated thereunder by the Department of the Treasury. The findings stated that the firm identified approximately 30 situations in which traders it gave given direct market access participated in activity it deemed sufficiently suspicious so as to cause it to restrict or prohibit the trader’s trading activity, including potential prearranged trading and transactions without an apparent economic purpose. However, in those situations, the firm did not take any further investigative steps to assess whether filing a SAR was warranted, notwithstanding having been notified a short time before that FINRA was intending to bring charges for an earlier identical violation.

The findings also stated that despite being advised by both FINRA and the SEC that previous customers may have been foreign financial institutions (FFIs), the firm failed to establish and implement an appropriate due diligence program for FFIs and did not have any written procedures relating to any due diligence for correspondent FFI accounts. The firm failed to identify a Bulgarian customer as an FFI or make the initial determination of whether the customer was an FFI under the terms of the applicable Bank Secrecy Act rule, and then failed to perform the required due diligence. The findings also included that the firm calculated its customer reserve mid-month utilizing projected pass-through fees chargeable to clients instead of actual amounts not known until month-end. That practice resulted in a recurring deficiency in the customer reserve formula throughout the period in which the practice was followed.

FINRA found that the firm failed to maintain sufficient net capital and customer reserves as a result of flawed or erroneous computations and characterizations of funds held. These resulted from the movement of funds between accounts the firm had with a U.S. broker-dealer affiliate of a Canadian entity and a related Canadian bank, where funds were held, how they were used, and how they were reflected in net capital and reserve computations.

FINRA also found that the firm failed to adequately supervise its omnibus account relationship with a U.S. broker-dealer entered after it terminated its relationship with the Canadian broker-dealer. The firm failed to adequately supervise its position data processing and customer reserve calculations, resulting in inaccurate segregation instructions being provided to the omnibus account broker-dealer. As a result, the omnibus account broker-dealer delivered out customer securities that should have been locked up and failed to properly segregate shares. In addition, the firm's calculations for the sufficiency of positions held at the omnibus account broker-dealer were inaccurate, its excess margin calculation process produced inaccurate segregation requirements, and the firm provided incorrect trade information to the omnibus account broker-dealer for transactions to be cleared by the omnibus account broker-dealer. In addition, FINRA determined that the firm's WSPs for monitoring customer margin were inadequate in 2013.

Moreover, FINRA found that the firm failed to properly implement its procedures regarding third-party wires. As a result, funds were wired to third parties without the firm having proper documentation or conducting adequate review to support the transfer of funds. In addition, the firm failed to properly implement its new account procedures, which resulted in its failure to detect and adequately investigate negative information about certain individuals given authority over accounts. Furthermore, FINRA found that the firm failed to adequately document payments made to its parent company and the reasons or basis for those payments. The firm also failed to record customer pass-through fees in customer accounts in a timely fashion. The findings stated that the firm failed to net all positions for accounts that were related or under common control in order to determine whether sales were long or short and subject to the Short Sale Rule requirements, as Regulation SHO required. ([FINRA Case #2013037709301](#))

**Corecap Investments, Inc. ([CRD #37068](#), Southfield, Michigan)**

July 27, 2017 – An AWC was issued in which the firm was censured and fined \$12,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report municipal securities transactions to the real-time transaction reporting system (RTRS). The findings stated that the firm had contracted with its clearing firm to report its municipal securities transactions to the RTRS, with the firm maintaining final responsibility for accurate reporting to the RTRS under MSRB rules. Due to a coding error at the clearing firm, the firm's municipal securities transactions were not reported to the RTRS. The firm conducted 87 municipal securities transactions during the relevant period but failed to report 13 of the customer trades and the 13 corresponding inventory trades to the RTRS. The findings also stated that the firm failed to establish and enforce a supervisory system reasonably designed to achieve compliance with its trade reporting obligations, in that it failed to enforce its WSPs related to the MSRB trade reporting required by MSRB Rule G-14. ([FINRA Case #2016048224701](#))

**Bulltick, LLC ([CRD #104005](#), Miami, Florida)**

July 28, 2017 – An AWC was issued in which the firm was censured, fined \$25,000, 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 failed to transmit ROEs to OATS on 211 business days. 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 FINRA rules. ([FINRA Case #2016049037401](#))

**Scotttrade, Inc. ([CRD #8206](#), St. Louis, Missouri)**

July 28, 2017 – An AWC was issued in which the firm was censured and fined \$110,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that for certain settlement dates, it failed to report short interest positions, or incorrectly reported short interest positions. The inaccurate short interest reports occurred as a result of a software coding issue that reclassified long positions in certain accounts as short. The findings stated that the firm failed to report some of the short interest positions due to an error by the firm’s stock record department. As a result of the error, the firm omitted or dropped securities from its short interest report. Other failures were due to the firm’s incorrect belief that warrants were not reportable. The remaining failures were the result of the firm’s misplaced reliance on a third-party website that indicated certain securities were not active and thus not reportable (non-listed). The findings also stated that the firm’s supervisory system did not provide for supervision reasonably designed to achieve compliance with NASD Rule 3360 and FINRA Rule 4560. ([FINRA Case #2014039741201](#))

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

July 31, 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 participated as an underwriter in 24 municipal securities offerings issued by various states wherein the lead underwriters communicated priority instructions for the offerings that required that orders from in-state retail customers be given priority over retail customers from other states. The findings stated that the pricing wires sent to the firm for the offerings in question specified that the priority of orders during the retail period was to fill in-state retail orders ahead of out-of-state retail orders. In each of the offerings at issue, the firm provided only partial fills on in-state retail customer orders prior to allocating securities to out-of-state retail customers. The firm should have interpreted the pricing wire instructions from the lead underwriters to require that orders from in-state retail customers be completely filled prior to filling any out-of-state retail customer orders. The firm could have provided full allocations to all in-state retail customers given its allotment of securities from the syndicate; but, instead, the firm partially filled orders for some in-state retail customers so that it could also allocate securities to out-of-state retail customers. As a result, 43 in-state retail customers could have received full allocations but received only partial allocations. ([FINRA Case #2014039067601](#))

**Timber Hill LLC ([CRD #33319](#), Greenwich, Connecticut)**

July 31, 2017 – An AWC was issued in which the firm was censured and fined \$47,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to include foreign-listed securities in the firm's short interest reports, from the time it began trading foreign-listed securities in August 2006 until it redressed this omission as of settlement date May 29, 2015. The findings stated that the firm's supervisory system, including its WSPs, did not provide for supervision reasonably designed to achieve compliance with respect to short interest reporting requirements. ([FINRA Case #2015044128801](#))

## Individuals Barred

**Thomas Edward Brenner Jr. ([CRD #1489233](#), Orrville, Ohio)**

July 10, 2017 – An AWC was issued in which Brenner was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Brenner consented to the sanction and to the entry of findings that he refused to appear for FINRA requested on-the-record testimony regarding his involvement in the sale of three different private placements issued by persons or entities with which he had personal or business relationships. The findings stated that FINRA received tips or complaints from numerous investors who invested in one or more of these private placements, and who were concerned about their inability to contact the issuers, and the issuers' failure to liquidate or redeem their investments and return the funds to these investors. These investors were generally citizens of Brenner's hometown community in Ohio, and many of them were seniors. ([FINRA Case #2017053328101](#))

**Dale Christian Russell Sr. ([CRD #4993986](#), Salem, Oregon)**

July 11, 2017 – An AWC was issued in which Russell was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Russell consented to the sanction and to the entry of findings that he refused to respond to FINRA's request for documents and information relating to his termination from his member firm. The findings stated that the firm had filed a Form U5 terminating Russell's registration for conduct inconsistent with firm standards regarding personal bank accounts. ([FINRA Case #2016049927302](#))

**James M. Hursty ([CRD #5106938](#), Glastonbury, Connecticut)**

July 17, 2017 – An AWC was issued in which Hursty was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Hursty consented to the sanction and to the entry of findings that he refused to provide FINRA with requested information and documents regarding its investigation into allegations that he forged a customer's signature on a credit card pre-approval application in the electronic system of a bank where he used to work. ([FINRA Case #2017053851501](#))

**Dick P. Wollman ([CRD #4593793](#), Omaha, Nebraska)**

July 17, 2017 – An AWC was issued in which Wollman was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Wollman consented to the sanction and to the entry of findings that he failed to provide FINRA requested documents and information in connection with its investigation into whether he failed to amend his Form U4 to disclose his receipt of any written notice that he was the subject of an investigation for felony charges. ([FINRA Case #2017053943601](#))

**Kun Liang ([CRD #6771387](#), Newark, California)**

July 18, 2017 – An AWC was issued in which Liang was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Liang consented to the sanction and to the entry of findings that he refused to produce FINRA-requested documents and information in connection with allegations that he misappropriated funds from customers of his member firm's affiliated bank. ([FINRA Case #2017054560001](#))

**Anthony Vincent Ferrone ([CRD #1192506](#), Mahwah, New Jersey)**

July 25, 2017 – An AWC was issued in which Ferrone was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Ferrone consented to the sanction and to the entry of findings that he appeared for on-the-record testimony, but refused to provide complete testimony and departed the testimony before its completion during the course of FINRA's investigation into his potential unsuitable trading of unit investment trusts (UITs) in customer accounts. ([FINRA Case #2016051829701](#))

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

July 25, 2017 – An Offer of Settlement was issued in which Isaacson was barred from association with any FINRA member in all capacities. Without admitting or denying the allegations, Isaacson consented to the sanction and to the entry of findings that during telephone calls with a customer, he intentionally and repeatedly provided the customer with false information about the actual value of the customer's member firm accounts. The findings stated that Isaacson knew the customer relied upon him for accurate account information and, because of Isaacson's misrepresentations and omissions, by January 2014, the customer believed his firm accounts held \$3.1 million more than their actual value. Isaacson also intentionally told the customer that he sold shares of a security and long-term bonds he had purchased in the customer's accounts when, in fact, he did not do so. Isaacson knew that his representations to the customer about his daily account values and trading activities were false and misleading. However, 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 the security and longer-term bonds despite the customer's explicit instructions to the contrary. As a result of his conduct, Isaacson willfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and violated FINRA Rule 2020.

The findings also stated that Isaacson effected approximately 360 transactions in the customer's accounts without the customer's knowledge and authorization, and in contravention to the customer's express orders not to do so, and that Isaacson's misrepresentations and omissions concealed his unauthorized trades in the customer's accounts. Isaacson's unauthorized trades included purchases of securities that the customer had expressly instructed Isaacson to divest and securities with characteristics that the customer had expressly instructed Isaacson to abstain from purchasing. Specifically, after the customer learned that Isaacson purchased shares of a security in the customer's discretionary account in February 2011, the customer told Isaacson that he did not want to be invested in the security and directed Isaacson to sell the shares. Isaacson did not follow the customer's instructions and, in fact, continued to purchase the security shares on the customer's behalf in the customer's discretionary accounts through August 2013. As a result of Isaacson's failure to follow the customer's express instructions, the customer's shares of the security were ultimately sold in January 2014 at a loss of approximately \$187,000. Similarly, although the customer instructed Isaacson to sell any bond positions with a maturity of more than three years in his firm accounts, Isaacson did not. Instead, he continued to purchase bonds with a maturity of more than three years, in the customer's non-discretionary accounts on at least 21 occasions during the period of June 2012 to November 2013. Isaacson also effected approximately 333 additional trades in the customer's non-discretionary accounts without the customer's knowledge and authorization. The findings also included that Isaacson attempted to settle the customer's complaint away from his firm by proposing a settlement with the customer without the firm's knowledge or approval. ([FINRA Case #2014040199101](#))

**Kenneth Lee Jones (CRD #2364953, Morgantown, West Virginia)**

July 27, 2017 – An AWC was issued in which Jones was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Jones consented to the sanction and to the entry of findings that he refused to appear for FINRA-requested on-the-record testimony in connection with an investigation of, among other things, the circumstances surrounding his termination from his member firm and of certain municipal bond trades that he performed while registered with that firm. ([FINRA Case #2016051704301](#))

**Emma Levin (CRD #2388644, East Brunswick, New Jersey)**

July 27, 2017 – An AWC was issued in which Levin was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Levin consented to the sanction and to the entry of findings that she participated in private securities transactions by recommending and facilitating the sale of limited partnership interests in a real-estate investment fund, to two investors for total proceeds of approximately \$30,000, without providing prior notice to her member firm. The findings stated that Levin provided inaccurate responses on the firm's annual attestations concerning her participation in private securities transactions. Specifically, Levin falsely represented on the attestations

that she did not have any private investments or outside interests, and failed to disclose her participation in the real-estate investment fund. The findings also stated that Levin made material misrepresentations regarding the real-estate investment fund on the fund's website. ([FINRA Case #2016051548501](#))

**Jason Michael Belajack ([CRD #5870019](#), Huntington Beach, California)**

July 28, 2017 – An AWC was issued in which Belajack was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Belajack consented to the sanction and to the entry of findings that he created two fictitious letters, sent on the letterhead of his member firm, to an elderly former customer designed to cover up the fact that he had provided the customer with inaccurate information concerning the features of a variable annuity contract he sold to that customer while associated with another FINRA member firm. ([FINRA Case #2016051944101](#))

**Peter J. Doyle ([CRD #2370593](#), Warrenton, Virginia)**

July 28, 2017 – An AWC was issued in which Doyle was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Doyle consented to the sanction and to the entry of findings that he refused to appear for FINRA requested on-the-record testimony in connection with its investigation into the conduct that led to his termination from his member firm. ([FINRA Case #2016051634801](#))

**Russell William Newton ([CRD #1033369](#), New Canaan, Connecticut)**

July 28, 2017 – An AWC was issued in which Newton was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Newton 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 potential securities law violations during the time he was associated with his member firm. ([FINRA Case #2016050892601](#))

**John Kenneth Lawrence Glover ([CRD #6095404](#), Romulus, Michigan)**

July 31, 2017 – An AWC was issued in which Glover was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Glover consented to the sanction and to the entry of findings that he converted and improperly used \$1,535 from his member firm's affiliated bank, which he neither owned nor was entitled to possess. The findings stated that Glover converted the funds by removing cash from the affiliated bank's cash drawer to which he had access and subsequently used the funds for his personal benefit. ([FINRA Case #2017053843401](#))

**Roger Salvatore Zullo ([CRD #1882087](#), Boston, Massachusetts)**

July 31, 2017 – An AWC was issued in which Zullo was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Zullo consented to the sanction and to the entry of findings that he failed to produce FINRA-requested information and documents related to an investigation into allegations of fraud, falsification and unsuitability in an administrative complaint filed by the Massachusetts Securities Division. The findings stated that some of the misconduct in the complaint is alleged to have affected customers who were senior citizens. ([FINRA Case #2017052732901](#))

**Individuals Suspended****Jeffrey Allen Delaney Jr. ([CRD #6314925](#), Peachtree City, Georgia)**

July 5, 2017 – An AWC was issued in which Delaney was assessed a deferred fine of \$15,000 and suspended from association with any FINRA member in all capacities for eight months. Without admitting or denying the findings, Delaney consented to the sanctions and to the entry of findings that without a policyholder's knowledge or authorization, he forged the policyholder's electronic signature on forms related to the exchange of her existing life insurance policy held with his member firm's affiliated insurance company, and submitted them for processing. The findings stated that Delaney willfully reported a false residential address on his Form U4. By falsely reporting a South Carolina address as his residential address while he resided in Georgia, Delaney avoided the state of Georgia's insurance licensing requirements for residents. The findings also stated that Delaney submitted compliance attestations to the firm in which he falsely stated that the information contained in his Form U4, which included his residential address, was accurate.

The suspension is in effect from July 17, 2017, through March 16, 2018. ([FINRA Case #2016051308001](#))

**Robert Francis Hurley ([CRD #1070269](#), Agawam, Massachusetts)**

July 5, 2017 – An AWC was issued in which Hurley 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, Hurley consented to the sanctions and to the entry of findings that he altered a customer's signed variable annuity distribution form without the customer's consent. The findings stated that one of the alterations changed the payment frequency from monthly to annual, and another alteration modified how payments would be calculated. Hurley also placed the customer's initials next to both alterations. Hurley's alterations caused the customer to receive a much larger variable annuity distribution payment than anticipated the following month.

The suspension is in effect from July 17, 2017, through September 16, 2017. ([FINRA Case #2016052582701](#))

**Jaime Hazael Aguilar ([CRD #3082057](#), San Diego, California)**

July 6, 2017 – An AWC was issued in which Aguilar was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Aguilar consented to the sanctions and to the entry of findings that he borrowed funds totaling \$22,100 from two customers without disclosing the loans to his member firm. The findings stated that the firm prohibited these loans from customers. Aguilar has repaid the loans in full. The findings also stated that Aguilar falsely stated in annual compliance questionnaires that he had not borrowed money from customers in the past 24 months.

The suspension was in effect from July 17, 2017, through August 30, 2017. ([FINRA Case #2016050297702](#))

**Murray Gerard Monroe ([CRD #2337934](#), Claremont, California)**

July 6, 2017 – An AWC was issued in which Monroe was fined \$15,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Monroe consented to the sanctions and to the entry of findings that he failed to timely notify and obtain approval from his member firm after learning that a customer had named him as executor of her estate and granted him general power-of-attorney. The findings stated that the firm only discovered the fiduciary appointments when it obtained documents in order to close the customer's account after her death. Monroe did not initiate the disclosure. Monroe's failure to make the disclosures violated the firm's WSPs and circumvented its supervision. The findings also stated that Monroe failed to provide the firm with prior written notice of his expectation of compensation due to his being named as the executor in a customer's will.

The suspension is in effect from July 17, 2017, through November 16, 2017. ([FINRA Case #2015047426001](#))

**Frank Allen Tegge ([CRD #443782](#), DeWitt, Michigan)**

July 6, 2017 – An AWC was issued in which Tegge was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Tegge consented to the sanctions and to the entry of findings that he placed discretionary transactions in customer accounts without having obtained the customers' prior written authorization and his member firm's prior written acceptance of the accounts as discretionary. The findings stated that Tegge had verbal authorization from the customers to use discretion to purchase and sell securities in those accounts. The firm's WSPs prohibited registered representatives from exercising discretion in brokerage accounts. The findings also stated that Tegge executed a transaction in a customer's account without the customer's knowledge or consent. Instead of obtaining the customer's written or oral authorization to place the trade, Tegge placed the trade after talking with the customer's spouse, who did not have any authority to authorize any trading in the account.

The suspension is in effect from July 17, 2017, through September 16, 2017. ([FINRA Case #2015047444601](#))

**Matthew William Barrett (CRD #3277609, Marblehead, Massachusetts)**

July 10, 2017 – An AWC was issued in which Barrett 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, Barrett consented to the sanctions and to the entry of findings that he willfully failed to timely amend his Form U4 to disclose two personal bankruptcies petitions.

The suspension is in effect from July 17, 2017, through September 16, 2017. ([FINRA Case #2016051088001](#))

**Joel David Davidman (CRD #861180, Encino, California)**

July 10, 2017 – An AWC was issued in which Davidman was fined of \$5,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Davidman consented to the sanctions and to the entry of findings that he exercised discretionary trading authority in customers' accounts without obtaining prior written authorization from each of the customers or his member firm's approval to treat the customers' accounts as discretionary. The findings stated that Davidman effected some of the approximately 2,200 trades using time and price discretion, and the remaining occurred without him discussing and receiving approval for the trades from the customers on the dates of the transactions. The findings also stated that Davidman falsely attested on a firm annual compliance attestation that he did not have any customer accounts in which he conducted transactions on a discretionary basis.

The suspension is in effect from August 7, 2017, through September 20, 2017. ([FINRA Case #2015045714801](#))

**Robert William Travis (CRD #6262946, Boston, Massachusetts)**

July 10, 2017 – An AWC was issued in which Travis was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Travis consented to the sanctions and to the entry of findings that he submitted false expense reports to his member firm for meals that, collectively, cost approximately \$700. The findings stated that Travis submitted the expense reports that claimed that he attended meals with certain employees in his firm's accounting department when, in fact, Travis had attended the meals with another employee at the firm.

The suspension is in effect from July 17, 2017, through January 16, 2018. ([FINRA Case #2016050632401](#))

**Matthew Robert Carvell ([CRD #6362021](#), Middle Island, New York)**

July 11, 2017 – An AWC was issued in which Carvell was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for one year. Without admitting or denying the findings, Carvell consented to the sanctions and to the entry of findings that he intentionally structured cash deposits in increments of less than \$10,000 to avoid federal reporting requirements. The findings stated that Carvell made 10 cash deposits totaling \$50,000 into his five personal bank accounts at two separate banking entities. The deposits were in amounts just under \$10,000, or if added together, would have exceeded \$10,000. Carvell structured the deposits to avoid the reportable requirement for filing a Currency Transaction Report (CTR).

The suspension is in effect from July 17, 2017, through July 16, 2018. ([FINRA Case #2015047508701](#))

**David Glenn Gott ([CRD #1915608](#), Tipton, Iowa)**

July 12, 2017 – An AWC was issued in which Gott was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Gott consented to the sanctions and to the entry of findings that he sold four individuals at least \$546,000 in private equity and debt investments without providing his member firm with prior written notice. The findings stated that Gott did not receive selling compensation for arranging these investments, but his company, a disclosed outside business activity, benefited from them. At all relevant times, the firm's policies and procedures regarding private securities transactions prohibited its registered representatives from engaging in such transactions without the firm's prior express written permission, and further required associated persons to provide a written notice of their intention to participate in any private securities transaction before commencing such participation.

The suspension is in effect from July 17, 2017, through January 16, 2018. ([FINRA Case #2015047392002](#))

**Daniel Joseph Hushek III ([CRD #4250117](#), Bradenton, Florida)**

July 14, 2017 – An AWC was issued in which Hushek was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in any principal capacity for 15 months. Without admitting or denying the findings, Hushek consented to the sanctions and to the entry of findings that he failed to adequately supervise the sales practice of a registered representative who recommended and engaged in unsuitable trading of non-traditional exchange-traded funds (ETFs). The findings stated that Hushek's supervisory failure facilitated the representative's ongoing sales practice violations. As a consequence, the representative's customers' accounts sustained realized and unrealized losses of more than \$2.4 million.

The suspension is in effect from July 17, 2017, through October 16, 2018. ([FINRA Case #2013035817702](#))

**Jason Hunter Likens ([CRD #4716661](#), Asheville, North Carolina)**

July 14, 2017 – An AWC was issued in which Likens was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 15 months. Without admitting or denying the findings, Likens consented to the sanctions and to the entry of findings that he borrowed \$23,500 from two customers without disclosing the loans to his member firm or receiving its approval to borrow from the customers. The findings stated that Likens did not repay the loans on schedule and did not begin to repay the loans until repeated requests were made. The firm’s WSPs prohibited lending arrangements between associated persons and customers except for with prior approval and under limited circumstances that did not cover the loans Likens received. The findings also stated that Likens made false attestations to his firm on annual compliance questionnaires that he had not made loans to or borrowed from any customer.

The suspension is in effect from July 17, 2017, through October 16, 2018. ([FINRA Case #2016049871601](#))

**James Darvell Maendel ([CRD #3267760](#), White Lake, Michigan)**

July 18, 2017 – An AWC was issued in which Maendel was fined \$10,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Maendel consented to the sanctions and to the entry of findings that he negligently caused his member firm to maintain inaccurate records with respect to 48 transactions in which a customer liquidated a prospectus product (defined to include open-end mutual funds, UITs, variable products, traded and non-traded real estate investment trusts, and structured products) to purchase another prospectus product. The findings stated that the firm required Maendel to submit an investment switch/exchange disclosure form for these transactions. Maendel caused 48 of the switch forms he submitted to the firm to contain inaccurate information about transaction costs. The findings also stated that on 11 occasions, the switch forms that Maendel personally prepared reflected that the transaction was solicited, but Maendel caused the transaction to be incorrectly recorded by a product-specific trading desk as unsolicited on the firm’s blotter.

The suspension is in effect from August 21, 2017, through October 4, 2017. ([FINRA Case #2015044365601](#))

**Munaem Choudhury ([CRD #3077176](#), Ridgewood, New York)**

July 19, 2017 – An AWC was issued in which Choudhury was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Choudhury consented to the sanctions and to the entry of findings that he failed to timely respond to FINRA requests for documents and information in connection with an ongoing examination involving him during his association with his member firm.

The suspension is in effect from August 7, 2017, through February 6, 2018. ([FINRA Case #2016049602302](#))

**Kearby Bryant Herrington (CRD #3163006, Tyler, Texas)**

July 19, 2017 – An AWC was issued in which Herrington 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, Herrington consented to the sanctions and to the entry of findings that he willfully failed to timely update his Form U4 to disclose that he had been charged with two felonies, which were later dismissed. The findings stated that Herrington completed annual compliance questionnaires for his member firm in which he falsely attested that he had not been arrested in connection with any criminal offense and that he understood that he had an obligation to personally review and update his Form U4 and that he was required to timely report any felony charge or conviction.

The suspension is in effect from August 7, 2017, through November 6, 2017. ([FINRA Case #2016050435401](#))

**Donald Lee Bergeron (CRD #2653896, Charlotte, North Carolina)**

July 20, 2017 – An AWC was issued in which Bergeron was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Bergeron consented to the sanctions and to the entry of findings that he improperly used discretion to place trades in a customer's account, without receiving the customer's written authorization to use discretion and without his member firm's acceptance of the customer's account as discretionary. The findings stated that the customer had given Bergeron verbal permission to use discretion in the account.

The suspension was in effect from August 7, 2017, through August 25, 2017. ([FINRA Case #2016051447001](#))

**Richard Lim (CRD #4949289, Clark, New Jersey)**

July 20, 2017 – An OHO Decision became final in which Lim was fined a total of \$17,500, suspended from association with any FINRA member in all capacities for nine months for unsuitable recommendations, and suspended from association with any FINRA member in all capacities for six months for willfully failing to timely disclose outstanding judgments on his Form U4. The suspensions shall run consecutively. The sanctions were based on findings that Lim recommended that his customers engage in an active trading investment strategy, which, when coupled with his high commissions, was so costly that it made it unlikely the trading could be profitable. The findings stated that because Lim never considered costs, he did not have any reasonable basis for believing the strategy was suitable. The customers lost money on most of the trades, and even when they made a profit, Lim's commissions often consumed that profit—as Lim had to have known. The trading benefited him and not the customers. The findings also stated that Lim willfully failed to timely disclose outstanding judgments on his Form U4. Lim only amended his Form U4 to make the required disclosures after receiving a notice that FINRA intended to bring a disciplinary action against him for his failure to make the required disclosures.

The nine-month suspension is in effect from August 7, 2017, through May 6, 2018. The six-month suspension is in effect from May 7, 2018, through November 6, 2018. ([FINRA Case #2014039091903](#))

**Christopher Hanley Russell ([CRD #5012084](#), Huntsville, Alabama)**

July 20, 2017 – An AWC was issued in which Russell 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, Russell consented to the sanctions and to the entry of findings that he participated in private securities transactions without providing prior written notice to or receiving prior written approval from his member firm. The findings stated that Russell invested approximately \$50,000 in a private company that produced craft beers. In addition, after solicitation from Russell, two investors who were not firm clients each invested \$50,000 in the company. Russell facilitated their investments by furnishing them with relevant paperwork and instructions. Russell did not receive selling compensation. The findings also stated that Russell inaccurately indicated that he had not participated in any private securities transactions on an annual compliance questionnaire that he submitted to the firm.

The suspension is in effect from August 7, 2017, through November 6, 2017. ([FINRA Case #2016052276601](#))

**Christopher David Pollard ([CRD #6143750](#), Snellville, Georgia)**

July 21, 2017 – An AWC was issued in which Pollard was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 15 months. Without admitting or denying the findings, Pollard consented to the sanctions and to the entry of findings that he created, signed, and distributed letters printed on his member firm's letterhead to a third-party realtor that falsely indicated that a prospective customer was a customer at the firm with the confirmed financial ability to purchase a multi-million dollar home—neither of which was true. The findings stated that the letters were misleading because the individual was not a firm customer, the individual did not have any funds at the firm, and the letters implied that Pollard had the authority to issue them when, in fact, he did not.

The suspension is in effect from August 7, 2017, through November 6, 2018. ([FINRA Case #2016050040201](#))

**Sandra Jayne McCabe ([CRD #1509542](#), Holbrook, New York)**

July 24, 2017 – An AWC was issued in which McCabe 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, McCabe consented to the sanctions and to the entry of findings that she falsified forms, which caused her member firm to maintain inaccurate books and records. The findings stated that on approximately three-dozen occasions, rather than having customers execute new forms, McCabe photocopied and reused signed and partially completed customer forms. McCabe submitted the forms to

her firm with non-original signatures, and in two instances, also altered information on the forms. Although the customers had authorized the underlying transactions, they did not authorize McCabe's alteration and re-use of existing forms.

The suspension is in effect from August 7, 2017, through November 6, 2017. ([FINRA Case #2017053422801](#))

**William Bryson Baum (CRD #1528847, Stilwell, Kansas)**

July 25, 2017 – An AWC was issued in which Baum was fined \$5,000 and suspended from association with any FINRA member in all capacities for 30 days. Without admitting or denying the findings, Baum consented to the sanctions and to the entry of findings that he sent 58 text messages relating to his securities business—including messages about investment strategies and specific securities—to 16 customers over the course of a year. The findings stated that by doing so, Baum prevented his member firm from supervising those communications, violated the firm's policy about business correspondence, and contradicted his attestation that he would use his firm's email system for all business correspondence and retain all correspondence with customers for the firm's review.

The suspension is in effect from August 21, 2017, through September 19, 2017. ([FINRA Case #2015048070901](#))

**Robert Lyndon Taylor (CRD #1423130, Edmond, Oklahoma)**

July 27, 2017 – An AWC was issued in which Taylor was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Taylor consented to the sanctions and to the entry of findings that he willfully failed to timely amend his Form U4 to disclose a felony charge against him and a subsequent guilty plea. The findings stated that Taylor has not been convicted of a felony, in that his sentencing has been deferred until June 2021 pending his completion of all conditions of his supervised probation.

The suspension is in effect from August 21, 2017, through November 20, 2017. ([FINRA Case #2016051320601](#))

**Ronald William Weimer (CRD #4199148, Stevensville, Michigan)**

July 27, 2017 – An AWC was issued in which Weimer 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, Weimer consented to the sanctions and to the entry of findings that he borrowed \$3,000 from a customer contrary to his member firm's policies and procedures. The findings stated that Weimer did not notify his firm that he was borrowing these funds, and the firm never gave him any such approval. In accordance with the loan's terms, Weimer repaid the loan in full within three months.

The suspension was in effect from August 7, 2017, through September 1, 2017. ([FINRA Case #2016052117801](#))

**William Howard Coons ([CRD #2049465](#), West Hartford, Connecticut)**

July 31, 2017 – An Offer of Settlement was issued in which Coons was fined \$5,000 and suspended from association with any FINRA member in all capacities for 10 business days. Without admitting or denying the allegations, Coons consented to the sanctions and to the entry of findings that his member firm, through Coons, sold restricted shares of a corporation to customers of the firm that were not registered with the SEC, nor were the sales exempt from registration. The findings stated that sale of these shares generated total proceeds of approximately \$198,750. As a result of the forgoing, Coons acted in contravention of Section 5 of the Securities Act of 1933.

The suspension was in effect from August 21, 2017, through September 1, 2017. ([FINRA Case #2014039352302](#))

**Mathew M. Serth ([CRD #5886278](#), Stone Ridge, Virginia)**

July 31, 2017 – An AWC was issued in which Serth 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, Serth consented to the sanctions and to the entry of findings that he placed five orders to purchase securities in four customer accounts, without the customers' authorization, knowledge or consent. The findings stated that after discovering the unauthorized trades, Serth's member firm cancelled the trades and reimbursed one customer for margin interest incurred as a result of the unauthorized purchases for his account.

The suspension is in effect from August 7, 2017, through November 6, 2017. ([FINRA Case #2016051495801](#))

## Individual Fined

**Roy Charles Woehrman ([CRD #2564754](#), Oceanside, California)**

July 20, 2017 - An AWC was issued in which Woehrman was censured and fined \$12,500. Without admitting or denying the findings, Woehrman consented to the sanctions and to the entry of findings that he shared \$38,500 in commissions that his member firm paid him with an unregistered person that were generated by securities transactions resulting from referrals by the unregistered person. The findings stated that Woehrman and the unregistered person, who operated a retirement planning and investment management business, entered into a referral/lead marketing agreement under which the unregistered person would refer individuals interested in purchasing alternative investments to Woehrman. Under the terms of the agreement, the funds paid to the unregistered person were to be used for marketing expenses. In addition, Woehrman submitted a written questionnaire to his firm in which he inaccurately represented that he was not involved in any referral arrangement. ([FINRA Case #2014041853701](#))

## 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 the allegations in the complaint.

### **Vladimir Tingue ([CRD #6332903](#), Brooklyn, New York)**

July 12, 2017 – Tingue was named a respondent in a FINRA complaint alleging that while associated with his member firm and employed by its affiliated bank, he converted money from a bank customer by issuing and using an unauthorized automated teller machine (ATM) card for the customer's bank account without the customer's knowledge or permission. The complaint alleges that after Tingue created the ATM card, he retrieved it from an instant issue machine and retained it in his personal possession. Tingue used the ATM card, or caused the ATM card to be used, to withdraw \$120 from the customer's bank account. ([FINRA Case #2015045951303](#))

### **Mark Charles Cohen ([CRD #4534879](#), New York, New York)**

July 21, 2017 – Cohen was named a respondent in a FINRA complaint alleging that he converted at least \$14,606.94 from his member firm by preparing several false expense reports and submitting them to the firm seeking reimbursement pursuant to the firm's marketing reimbursement program. The complaint alleges that the expense reports were false because the corresponding preapproved client marketing events did not occur and, therefore, Cohen did not incur any costs for the events. Nonetheless, Cohen created false transaction records to evidence the preapproved expenses, submitted at least five of these false records to the firm, and requested reimbursement of approximately 50 percent of these phantom expenses. The complaint also alleges that Cohen's preparation and submission of false transaction records, in support of the false expense reports, caused the firm to maintain inaccurate books and records. ([FINRA Case #2014040761001](#))

### **Craig Gary Langweiler ([CRD #841897](#), Philadelphia, Pennsylvania)**

July 24, 2017 – Langweiler was named a respondent in a FINRA complaint alleging that he excessively traded a customer's account. The complaint alleges that Langweiler executed 257 trades resulting in an annualized cost-to-equity ratio of more than 60 percent and causing the customer's account to diminish in value by more than 25 percent. Langweiler's trading was excessive and unsuitable, given that he was aware of the high cost-to-equity ratio for the customer's account, yet engaged in this high-volume trading to generate commissions of approximately \$27,092. The complaint also alleges that Langweiler exercised discretion in the customer's account without receiving the customer's prior written authority to do so or his member firm's approval. Langweiler's discretionary trading facilitated his excessive trading. ([FINRA Case #2014040347701](#))

**Frederick Wesley Roehm ([CRD #2340397](#), Inverness, Illinois)**

July 26, 2017 – Roehm was named a respondent in a FINRA complaint alleging that he willfully failed to disclose on his Form U4 that he was the subject of an investment-related, consumer-initiated written complaint that alleged that he was involved in sales practice violations, and contained a claim for compensatory damages of more than \$5,000. The complaint alleges that Roehm willfully failed to timely and accurately disclose on his Form U4 that he was named a defendant in investment-related, consumer-initiated civil litigation that alleged that he was involved in sales practice violations. The complaint also alleges that Roehm attempted to settle the claims outlined in a draft complaint without notifying his member firm. Roehm did not, at any time, inform the firm of his efforts to resolve the claims. ([FINRA Case #2014041233001](#))

**Thomas H. Lawrence III ([CRD #1839619](#), Chapel Hill, Tennessee)**

July 27, 2017 – Lawrence was named a respondent in a FINRA complaint alleging that he borrowed more than \$39,000 from one of his securities customers, a retiree who was approximately 96 years old. The findings stated that Lawrence promised to repay the loan in a year, but he never repaid any part of it. Lawrence failed to notify his member firm about the loan before obtaining it, and the firm never approved his loan from the customer. The firm prohibited borrowing from such customers, which Lawrence repeatedly acknowledged. ([FINRA Case #2016051945101](#))

**Michael Ciro Colletti ([CRD #4577898](#), Glen Head, New York)**

July 31, 2017 – Colletti was named a respondent in a FINRA complaint alleging that he failed to reasonably supervise cold callers in his branch office who he had hired without following his member firm's procedures. The complaint alleges that Colletti was the designated supervisor and branch office manager for the office opened by his member firm. Because of Colletti's failure to enforce the firm's written procedures regarding hiring and cold callers, the firm was unaware of some of the cold callers for months after they began working in the branch, if at all, and some of the cold callers were not subject to a background check, much less approved by the firm's hiring committee. Despite working in the same room as the cold callers, Colletti either missed or did not act upon red flags that the cold callers were engaging in impermissible activities. Because Colletti did not reasonably supervise the cold callers, some of the cold callers' unauthorized scripts contained misrepresentations and improper questions. ([FINRA Case #2014042520501](#))

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**Firm Suspended for Failing to Pay Arbitration Awards 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.)

**Wall Street Strategies, Inc. (CRD #31268)**  
Huron, Ohio  
(July 13, 2017)  
FINRA Arbitration Case #15-03111

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**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.)

**Kellye C. Allison (CRD #5265234)**  
Bowie, Maryland  
(July 10, 2017)  
FINRA Case #2016052648701

**Timothy David Ballard (CRD #1073181)**  
Danville, California  
(July 21, 2017)  
FINRA Case #2016052555401

**Damani A. Barham (CRD #6270752)**  
Van Nuys, California  
(July 17, 2017)  
FINRA Case #2017053148501

**Kelley Macon Barham Jr. (CRD #6674648)**  
Newnan, Georgia  
(July 14, 2017)  
FINRA Case #2016052582901

**Devin Barkley (CRD #5980820)**  
Somerset, New Jersey  
(July 3, 2017)  
FINRA Case #2016052639601

**Wilbert Norman Belizaire Jr. (CRD #6168292)**  
Los Angeles, California  
(July 3, 2017)  
FINRA Case #2017052894101

**Charles A. Black (CRD #4149535)**  
Cockeysville, Maryland  
(July 28, 2017)  
FINRA Case #2017053433601

**Steven Eugene Bonner (CRD #2061819)**  
San Jose, California  
(July 14, 2017)  
FINRA Case #2017052748201

**Alexi Nahun Bustamante (CRD #6178423)**  
Miramar, Florida  
(July 14, 2017)  
FINRA Case #2017052961501

**Juliana Castaneda (CRD #6663040)**  
Las Vegas, Nevada  
(July 3, 2017)  
FINRA Case #2016051840201

**Andrey Chekalin (CRD #6011171)**  
Fairfax, Virginia  
(July 3, 2017)  
FINRA Case #2016050934901

**Salvatore Joseph Cipriano (CRD #6113362)**  
Staten Island, New York  
(July 10, 2017)  
FINRA Case #2016051008401

**Thomas Eric Constable (CRD #4436655)**  
Jacksonville, Florida  
(July 3, 2017)  
FINRA Case #2016052009301

**Darnell Anthony Deans (CRD #2200059)**  
Jersey City, New Jersey  
(July 17, 2017)  
FINRA Case #2015044374501

**Jeffrey Edward Ermi (CRD #2413165)**

Woodbridge, Virginia  
(July 3, 2017)  
FINRA Case #2016052552601

**Lee Edward Farmer (CRD #4701310)**

Las Vegas, Nevada  
(July 28, 2017)  
FINRA Case #2016051232301

**Arsola Feransou (CRD #6652467)**

El Cajon, California  
(July 3, 2017)  
FINRA Case #2016052074401

**Joshua Adam Frederico (CRD #6552547)**

Lenexa, Kansas  
(July 21, 2017)  
FINRA Case #2017053172901

**Kevin Grewal (CRD #6618515)**

Laguna Hills, California  
(July 21, 2017)  
FINRA Case #2017052922001

**Fawad Hasan (CRD #5980481)**

Fairfax, Virginia  
(July 28, 2017)  
FINRA Case #2017053170401

**Derrick Franklin Howard (CRD #4730555)**

New York, New York  
(July 21, 2017)  
FINRA Case #2017053222801

**Christopher Lowell Jackson (CRD #4922650)**

Athens, Georgia  
(July 3, 2017)  
FINRA Case #2016052025001

**Jamar Darcel Jenkins (CRD #6596321)**

Charlotte, North Carolina  
(July 3, 2017)  
FINRA Case #2016051820601

**Molly M. Jury (CRD #5497965)**

Independence, Missouri  
(July 17, 2017)  
FINRA Case #2017052954201

**Sean David Kaplan (CRD #6126137)**

Bradenton, Florida  
(July 3, 2017)  
FINRA Case #2016051887501

**Ronald Frances Konchalski (CRD #1277990)**

Mahopac, New York  
(July 17, 2017)  
FINRA Case #2017053119801

**Robert Kenneth Lindell (CRD #2550012)**

Cloverdale, California  
(July 20, 2017)  
FINRA Case #2017053560001

**Cameron Blake Lovitt (CRD #5741717)**

Greenville, North Carolina  
(July 3, 2017)  
FINRA Case #2017052786801

**Nicholas Henry Millas (CRD #6511477)**

Salt Lake City, Utah  
(July 3, 2017)  
FINRA Case #2016051096901

**Christian A. Paul (CRD #4325429)**

Rowlett, Texas  
(July 10, 2017)  
FINRA Case #2016051795501

**Gregory David Pryce (CRD #1270748)**

New Rochelle, New York  
(July 10, 2017)  
FINRA Case #2016052580701

**Ernest Julius Romer III (CRD #2311741)**

Shelby Township, Michigan  
(July 17, 2017)  
FINRA Case #2017053029101

**Donald John Saccomano (CRD #408673)**  
 Norwalk, Connecticut  
 (July 6, 2017)  
 FINRA Case #2015044109301

**Paul Edward Seaward (CRD #6364508)**  
 New Orleans, Louisiana  
 (July 14, 2017)  
 FINRA Case #2017052801301

**Michael Allen Sparks (CRD #6140090)**  
 Lexington, Kentucky  
 (June 12, 2017 – July 31, 2017)  
 FINRA Case #2016051183501

**Jennifer Anne Spencer (CRD #3194534)**  
 Attica, Indiana  
 (July 3, 2017)  
 FINRA Case #2016052529901

**Jordan Robert Tait (CRD #6368916)**  
 Rexburg, Idaho  
 (July 24, 2017)  
 FINRA Case #2016051547901

**Bethany Chanel Thompson (CRD #6633354)**  
 Lexington, Kentucky  
 (July 21, 2017)  
 FINRA Case #2017053012401

**Christopher John Tiernan (CRD #5095130)**  
 Marshalltown, Iowa  
 (July 27, 2017)  
 FINRA Case #2016050691901

**Juan Ramon Uriarte Jr. (CRD #6619023)**  
 Harbor City, California  
 (July 17, 2017)  
 FINRA Case #2017053080101

**Hung Quoc Vu (CRD #6051317)**  
 El Cerrito, California  
 (July 21, 2017)  
 FINRA Case #2016052566201

**Julie Ann Wells (CRD #5479320)**  
 Bakersfield, California  
 (July 17, 2017 – July 28, 2017)  
 FINRA Case #2017053197401

**Becky Woo (CRD #4022781)**  
 New York, New York  
 (July 14, 2017)  
 FINRA Case #2017052759301

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**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.)

**Paolo Franca Iida (CRD #6020324)**  
 New York, New York  
 (November 19, 2016 – July 17, 2017)  
 FINRA Case #2012033351801

**Steven Michael Wisniewski (CRD #2068119)**  
 Phoenixville, Pennsylvania  
 (July 6, 2017)  
 FINRA Case #2015044110101

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**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.)

**Christina Albert (CRD #6589844)**  
 Perrysburg, Ohio  
 (July 17, 2017)  
 FINRA Case #2017053564401

**Woodley Hannon Bagwell (CRD #10084)**  
 Montgomery, Alabama  
 (July 10, 2017)  
 FINRA Case #2016050299901

**Helle Romer Bannister (CRD #2965930)**  
Stamford, Connecticut  
(July 31, 2017)  
FINRA Case #2016052638801

**Sonya Michelle Brown (CRD #3008083)**  
Sealy, Texas  
(July 17, 2017)  
FINRA Case #2016048686401

**Jason Harry Buchanan (CRD #4834838)**  
Mullica Hill, New Jersey  
(May 1, 2017 – July 13, 2017)  
FINRA Case #2016052554601

**Daniel P. Capeless (CRD #5863616)**  
Washington, D.C.  
(April 17, 2017 – July 12, 2017)  
FINRA Case #2016050664101

**Donald William Chupp (CRD #5797638)**  
Sidney, Ohio  
(May 19, 2017 – July 12, 2017)  
FINRA Case #2017053454101

**Wesley Claflin (CRD #6402626)**  
Tempe, Arizona  
(July 24, 2017)  
FINRA Case #2016049941501

**Brett Allen DeFore (CRD #1777059)**  
Nokomis, Florida  
(July 21, 2017)  
FINRA Case #2017053983501

**Theophilus K. Denanyoh (CRD #6006465)**  
New Albany, Ohio  
(July 17, 2017)  
FINRA Case #2017053569001

**Daniel Paul Doogs (CRD #1270354)**  
Lawrenceburg, Indiana  
(July 6, 2017)  
FINRA Case #2017053751801

**Daniel A. Dupont (CRD #5919589)**  
New Bedford, Massachusetts  
(July 17, 2017)  
FINRA Case #2017053771001

**John Charles Epting Jr. (CRD #4409356)**  
Virginia Beach, Virginia  
(April 13, 2017 – July 12, 2017)  
FINRA Case #2016052240501

**Mark Joseph Flanagan (CRD #1949836)**  
Highland Park, Illinois  
(June 26, 2017 – July 12, 2017)  
FINRA Case #2017053609201

**Edward Kenneth Frost (CRD #215131)**  
Long Beach, California  
(July 27, 2017)  
FINRA Case #2016051140901

**Mariam Gabashvili (CRD #6545858)**  
Los Angeles, California  
(July 10, 2017)  
FINRA Case #2017054027701

**Charles Edwin Garrison (CRD #1342995)**  
Whispering Pines, North Carolina  
(July 31, 2017)  
FINRA Case #2017053569601

**Albert Sidney Gersh (CRD #2505980)**  
Woodland Hills, California  
(July 14, 2017)  
FINRA Case #2017053705301

**Robert Constantine Gray (CRD #5515001)**  
Chicago, Illinois  
(July 24, 2017)  
FINRA Case #2016051367801

**Robert Norman Greco (CRD #228304)**  
Spokane, Washington  
(July 20, 2017)  
FINRA Case #2016051995801

**Leanna Greene (CRD #5261897)**

Lake Park, Georgia  
(July 21, 2017)  
FINRA Case #2017054065001

**John Kaleihiehie Kai (CRD #2163244)**

Hilo, Hawaii  
(July 3, 2017)  
FINRA Case #2017053680001

**Chea Anetta Ledbetter (CRD #6492823)**

Hot Springs, Arkansas  
(July 10, 2017)  
FINRA Case #2017053986201

**Matthew M. McDonagh (CRD #5948542)**

New York, New York  
(July 31, 2017)  
FINRA Case #2017053992301

**Terry Mark Mlodzik (CRD #2196874)**

Minneapolis, Minnesota  
(July 24, 2017)  
FINRA Case #2016051198201

**Arturo Diego Montenora (CRD #2646366)**

Staten Island, New York  
(July 17, 2017)  
FINRA Case #2017054326201

**Michael Ryan Mueller (CRD #6303337)**

Jacksonville Beach, Florida  
(July 21, 2017 – July 28, 2017)  
FINRA Case #2017054222001

**Daniel P. Mullan (CRD #2587700)**

Syosset, New York  
(July 10, 2017)  
FINRA Case #2016048799901

**Sampson Pearson Jr. (CRD #4159298)**

Charlotte, North Carolina  
(July 13, 2017)  
FINRA Case #2017054269301

**Craig Allan Price (CRD #2820176)**

Palm Harbor, Florida  
(May 5, 2017 – July 25, 2017)  
FINRA Case #2016052560701

**Frank Blaise Anthony Restifo Jr. (CRD #1138179)**

Euclid, Ohio  
(July 14, 2017)  
FINRA Case #2017053647201

**Carlos Antonio Rodriguez (CRD #4363000)**

Irving, Texas  
(July 31, 2017)  
FINRA Case #2015046502101

**Matthew Carl Shepard (CRD #5626064)**

Louisville, Alabama  
(July 10, 2017)  
FINRA Case #2016051709201

**Mark Eliot Silverman (CRD #1942866)**

Boca Raton, Florida  
(May 26, 2017 – July 12, 2017)  
FINRA Case #2016050853701

**David Edward Smith (CRD #6255994)**

Follansbee, West Virginia  
(July 24, 2017)  
FINRA Case #2016051710301

**Jon William Stagnone (CRD #2433974)**

Chelmsford, Massachusetts  
(June 12, 2017 – July 12, 2017)  
FINRA Case #2017053312801

**Maria Nancy Tamburro (CRD #5977689)**

Highland Falls, New York  
(July 17, 2017)  
FINRA Case #2016051905301

**John Anthony Vedovino (CRD #6113995)**  
 Pompton Plains, New Jersey  
 (July 17, 2017)  
 FINRA Case # 2015048362401

**Matthew D. Webster (CRD #6120098)**  
 Syracuse, New York  
 (July 3, 2017)  
 FINRA Case #2016051007901

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**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.)

**Alvin Wayne Blancett (CRD #4853734)**  
 Lorena, Texas  
 (July 24, 2017)  
 FINRA Arbitration Case #17-00239

**Thomas M. Fayad (CRD #2335873)**  
 Weehawken, New Jersey  
 (July 18, 2017)  
 FINRA Arbitration Case #17-00204

**Robert Peter Lappin (CRD #1570836)**  
 Las Vegas, Nevada  
 (July 26, 2017)  
 FINRA Case #2017054900701/ARB170031

**Charles Acheson Lavery (CRD #4875386)**  
 Newport Beach, California  
 (July 21, 2017)  
 FINRA Arbitration Case #14-03220

**Nicholas Ronald Macnab (CRD #4846896)**  
 Smyrna, Georgia  
 (July 24, 2017)  
 FINRA Arbitration Case #14-03138

**George Henry Messier (CRD #1005894)**  
 Woodbury, Connecticut  
 (July 13, 2017)  
 FINRA Case #2017054698601/ARB170029

**Brian Moltz (CRD #2475645)**  
 Phoenix, Arizona  
 (July 7, 2017)  
 FINRA Arbitration Case #15-02111

**Gazmend Murtezi (CRD #5903362)**  
 Pittsburgh, Pennsylvania  
 (July 7, 2017)  
 FINRA Arbitration Case #17-00079

**Brendan O'Connell (CRD #5280483)**  
 Baltimore, Maryland  
 (May 23, 2016 – July 27, 2017)  
 FINRA Arbitration Case #15-02650

**Arra Poghossian (CRD #2800245)**  
 Goodyear, Arizona  
 (July 18, 2017)  
 FINRA Arbitration Case #10-04841

**Brent Morgan Porges (CRD #4002626)**  
 Garden City, New York  
 (July 19, 2017)  
 FINRA Arbitration Case #15-02075

**Charles Courtney Sandoval (CRD #2133126)**  
 Gilbert, Arizona  
 (July 27, 2017)  
 FINRA Case #2017055042201/ARB170034

**John Leo Valentine (CRD #1495420)**  
 Pleasanton, California  
 (July 24, 2017)  
 FINRA Arbitration Case #12-03372

## FINRA, Bats, NASDAQ, and NYSE Fine Firms for Market Access Rule Violations

Four firms have been censured and fined a total of \$4.75 million for violations of various provisions of Rule 15c3-5 of the Securities Exchange Act of 1934 (known as the Market Access Rule) and related exchange supervisory rules. The actions were taken by the Financial Industry Regulatory Authority (FINRA), along with Bats, a CBOE Holdings company; The NASDAQ Stock Market LLC; the New York Stock Exchange; and their affiliated Exchanges (collectively, “Exchanges”). The firms involved in these matters are [Deutsche Bank Securities Inc.](#), [Citigroup Global Markets Inc.](#), [J.P. Morgan Securities LLC](#), and [Interactive Brokers LLC](#).

In settling these matters for the sanctions below, which were apportioned among FINRA and the Exchanges, the firms neither admitted nor denied the charges but consented to the entry of FINRA’s and the Exchanges’ findings.

Between May and July 2017:

- [Deutsche Bank was fined a total of \\$2.5 million.](#)
- [Citigroup was fined a total of \\$1 million.](#)
- [J.P. Morgan was fined a total of \\$800,000.](#)
- [Interactive Brokers was fined a total of \\$450,000.](#)

The SEC’s Market Access Rule requires, among other things, that broker-dealers that access an exchange or an alternative trading system or provide their customers with access to these trading venues must adequately control the financial and regulatory risks of providing such access. The purpose of this requirement is to prevent firms from jeopardizing their own financial condition and that of other market participants, while also ensuring the stability and integrity of the financial system and the securities markets.

The firms involved in these matters collectively provided market access to numerous clients that executed millions of trades per day. Specifically, FINRA and the Exchanges found that the firms failed to comply with one or more provisions of the Market Access Rule, such as by failing to implement financial and regulatory risk management controls and procedures reasonably designed to prevent the entry of erroneous or duplicative orders; prevent the entry of orders that exceeded appropriate pre-set credit or capital thresholds; or supervise customer trading to detect and prevent potentially violative and manipulative activity. Additionally, the firms were found to have failed to comply with their obligations under the supervisory rules of FINRA and the Exchanges to establish and maintain a reasonably designed system, including written supervisory procedures, to supervise the activities of their customers.

“It is important that firms have reasonable market access procedures in place to appropriately monitor for errors and risks that can be harmful to the integrity of our securities markets,” said FINRA and the Exchanges in a joint statement.

When determining the appropriate sanction in the four matters, FINRA and the Exchanges considered the facts and circumstances particular to each matter, including, among other things, the number of erroneous orders that were entered on the Exchanges by the firms, potentially manipulative trading activity that went undetected by the firms, the market impact (both real and potential) of the underlying violative activity, the extent to which red flags were present, the firms’ disciplinary histories, the nature of the supervisory failures, the breadth and duration of the firms’ overall failures, remediation of the problematic conduct, and cooperation provided during the course of the investigations.

The investigations that led to the actions set forth above were conducted by the Department of Market Regulation at FINRA and the Exchanges.