

# Disciplinary and Other FINRA Actions

## Firms Fined, Individuals Sanctioned

**Clearview Trading Advisors, Inc. (CRD #142873, Tenafly, New Jersey) and Gregg Harley Ettin (CRD #1604260, New York, New York)**

November 11, 2022 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured and fined \$100,000, and Ettin was fined \$25,000, suspended from association with any FINRA member in any principal capacity for nine months, and required to requalify as a General Securities Principal by passing the requisite examination prior to acting in that capacity with any FINRA member. Without admitting or denying the findings, the firm and Ettin consented to the sanctions and to the entry of findings that they failed to establish and implement an anti-money laundering (AML) compliance program reasonably designed to detect and cause the reporting of suspicious activity. The findings stated that despite the firm’s significant business expansion toward the liquidation of low-priced securities, the firm and Ettin, the firm’s AML Compliance Officer (AMLCO), did not take reasonable steps to establish and implement an AML program tailored to that business. Ettin failed to update the firm’s AML procedures or otherwise review its controls to assess whether they were sufficient to detect and report suspicious activities. The firm and Ettin also failed to establish and implement a reasonable process to identify red flags specific to issuers of low-priced securities or patterns of suspicious trading within customer accounts. The firm’s AML procedures provided that Ettin should monitor for potential money laundering by using exception reports or reviewing sufficient account activity to identify patterns of suspicious activity or red flags on a daily and ongoing basis. However, the firm did not use any exception reports or automated tools to monitor customer account activity for suspicious transactions. The AML procedures identified examples of red flags, including red flags specific to issuers of low-priced securities; customers with multiple accounts or backgrounds indicating possible criminal, civil, or regulatory violations; and accounts liquidating large volumes of low-priced securities and withdrawing funds from those trades. However, the procedures did not explain how the firm should monitor for and investigate those red flags. The firm’s review for potentially suspicious transactions was limited to Ettin’s manual review of every transaction and reliance on third parties. However, the firm’s consulting agreement with one of its third parties did not provide that the company would monitor customer account activity, and the firm’s clearing agreement required it, as the introducing firm, to assume sole and exclusive responsibility for compliance. The findings also stated that even though the firm’s AML procedures required another individual to monitor transactions executed by the firm’s AMLCO, no one at the firm reviewed and oversaw the customer transactions that Ettin

## Reported for January 2023

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).

### Search for FINRA Disciplinary Actions

All formal disciplinary actions are made available through a publicly accessible online search tool called FINRA Disciplinary Actions Online shortly after they are finalized.

Visit [www.finra.org/disciplinaryactions](http://www.finra.org/disciplinaryactions) to search for cases using key words or phrases, specified date ranges or other criteria.

executed. The firm and Ettin's failure to implement an AML program reasonably tailored to its business resulted in the firm failing to identify, investigate, and report potentially suspicious transactions. The firm's AML procedures also did not define what steps should be undertaken to identify accounts that posed heightened risk or what additional due diligence should be required before opening those accounts and before executing trades that raise red flags in those accounts. The findings also included that the firm and Ettin, who was responsible for reviewing and approving customer deposits and sales of restricted securities under the firm's Written Supervisory Procedures (WSPs), failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with Section 5 of the Securities Act of 1933. The firm and Ettin primarily relied on a third-party company to conduct reviews of the securities being liquidated through the firm to determine whether they were registered or otherwise freely tradeable. This delegation was not formalized in the firm's procedures or described in the agreement between the firm and the company. While most customers supplied the company with various documents to support their low-priced securities deposits, Ettin did not reasonably review those documents and did not monitor or ensure that the company was carrying out this obligation. In addition, Ettin, failed to conduct a reasonable inquiry prior to executing trades in low-priced securities in order to determine whether those securities were registered or subject to an exemption or safe-harbor from registration or to assess whether shares of securities liquidated through the firm were freely tradeable.

The suspension is in effect from December 5, 2022, through September 4, 2023. ([FINRA Case #2019064126802](#))

**FFEC Wealth Partners LLC fka First Financial Equity Corporation (CRD #16507, Scottsdale, Arizona) and Jeffrey Scott Graves (CRD #1398578, Double Oak, Texas)** November 25, 2022 – An AWC was issued in which the firm was censured, fined \$35,000, and ordered to pay \$112,672.87, plus interest, in restitution to customers. Graves was fined \$5,000, suspended from association with any FINRA member in any principal capacity for 15 business days, and required to attend and satisfactorily complete 20 hours of continuing education concerning supervisory responsibilities. Without admitting or denying the findings, the firm and Graves consented to the sanctions and to the entry of findings that the firm failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with the suitability requirements of FINRA Rule 2111 as they pertain to margin use. The findings stated that the firm's WSPs did not include any specific eligibility requirements for margin approval or any guidance regarding what factors should be considered before recommending margin use in customer accounts. The firm also did not have any other systems or procedures reasonably designed to supervise the use of margin, including any surveillance or exception reports

designed to flag potentially unsuitable margin use in customer accounts. The findings also stated that the firm and Graves failed to reasonably supervise margin use in customer accounts. Graves was the branch office manager supervising a registered representative who recommended margin in certain customer accounts. However, Graves failed to take reasonable steps to assess whether the margin use was suitable. Graves did not track or review the amount of margin trading in the accounts, failed to question the representative who recommended the margin trading, and failed to contact the customers about the margin use in their respective accounts. As a result of the firm and Graves' failure to reasonably supervise for unsuitable margin use, the customers paid a total of \$100,109.37 in margin interest and commissions and fees charged on margin trades. The findings also included that the firm and Graves failed to reasonably supervise mutual fund switches in customer accounts. As a result, customers paid \$12,563.50 in costs and fees associate with the switches.

The suspension was in effect from December 19, 2022, through January 9, 2023. ([FINRA Case #2019061612602](#))

## Firms Fined

### **Western International Securities, Inc. ([CRD #39262](#), Pasadena, California)**

November 1, 2022 – An AWC was issued in which the firm was censured, fined \$400,000, ordered to pay \$471,401.57, plus interest, in restitution and partial restitution to customers, and required to implement supervisory systems and procedures reasonably designed to achieve compliance with its suitability obligations in connection with sales of non-traded real estate investment trusts (REITs), and with its disclosure obligations. In the instances in which partial restitution is being paid to customers, it is equal to the commissions that the firm received in connection with these customers' investments in non-traded REITs. 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 supervisory system, including WSPs, reasonably designed to achieve compliance with its suitability obligations in connection with recommendations of non-traded REITs. The findings stated that the firm's WSPs required supervisors to review non-traded REIT investments for suitability, including whether the transactions were consistent with customers' investment objectives and other profile factors. The firm's procedures also required customers to complete a non-traded REIT disclosure form but did not specify what documents to review or steps to take in conducting a suitability analysis for non-traded REITs. In practice, some supervisors reviewed only the non-traded REIT disclosure form to assess suitability. Those forms lacked important customer profile information, including the customer's age, investment objectives, investment

experience, investment time horizon, liquidity needs, risk tolerance, and financial situation, including income, liabilities, and net worth. Although that information was included on the firm's new account form, the WSPs did not expressly require supervisors to review new account forms before approving non-traded REIT transactions, and some supervisors did not do so. The firm's non-traded REIT disclosure form also contained the phrase "estimated liquidate [sic] net worth," which was neither defined nor consistent with the customer profile terms that it included on customers' new account forms. Therefore, the firm's supervisors had inconsistent understandings regarding the term's meaning. Given the lack of guidance in the firm's procedures, some supervisors failed to make their own independent determination regarding whether a transaction was suitable for a particular customer, relying instead on representations made by the customer and broker on the disclosure form. The findings also stated that a former representative recommended purchases of non-traded REITs totaling more than \$7.8 million to firm customers, without a reasonable basis to believe that the recommendations were suitable for any customer; and for some customers, he also had no reasonable basis to believe that the recommendations were suitable for them. The former representative offered and sold non-traded REITs within three months of becoming associated with the firm to a majority of his customers of various ages and profiles, including retirees, customers with limited financial resources, and customers with limited or no investment experience. The firm's supervisory system for non-traded REIT sales was not reasonably designed to review these sales to achieve compliance with the firm's suitability obligations. In addition, red flags associated with the former representative and certain of his sales were not properly investigated. The findings also included that the firm failed to report, or timely report, written customer complaints, arbitrations, and settlements. In some instances, the delays were not significant, but in other instances, the reporting failures impeded FINRA's investigation of allegations and prevented disclosure to the investing public. ([FINRA Case #2020067094001](#))

**Superior Financial Services, Inc. ([CRD #104165](#), Jackson, Wisconsin)**

November 2, 2022 – An AWC was issued in which the firm was fined \$5,000. Without admitting or denying the findings, the firm consented to the sanction and to the entry of findings that it failed to conduct annual independent testing of its AML compliance program. The findings stated that although the firm received a report from its outside financial auditor stating that he had reviewed the firm's written AML policies and procedures, spoken with the firm's principals, and reviewed cash disbursements, the auditor did not perform any testing of the adequacy of the firm's AML compliance program or the firm's compliance with its AML compliance program. ([FINRA Case #2021069374701](#))

**Wedbush Securities Inc. ([CRD #877](#), Los Angeles, California)**

November 3, 2022 – An AWC was issued in which the firm was censured, fined \$850,000, and required to certify that the firm’s WSPs and supervisory system are reasonably designed to review the accuracy of account statements sent to customers and to achieve compliance with its obligation to deliver to customers annual privacy notices, margin disclosures, and order execution disclosures. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it negligently misrepresented the default status of bonds on customer account statements. The findings stated that the firm generated and distributed monthly account statements to customers that inaccurately represented that municipal or corporate bonds held by customers were making interest or principal payments, when, in fact, the bonds were in default. In each instance, the firm received notice that the bonds in question were in default, but it did not provide such information to the vendor the firm used to maintain information about securities held by customers. In many cases, customers received notices of default from a vendor of the firm, but the defaults were not accurately reflected on account statements. The findings also stated that the firm failed to establish and maintain a supervisory system reasonably designed to review the accuracy of account statements it sent to customers. Although the firm received notice when bonds held by customers had defaulted, it did not have any system to verify that such information was reflected in the system the firm used to maintain information about securities held by customers. The firm also did not have a system to review account statements to determine whether they accurately reported the default status of bonds. The firm failed to develop such systems even though it was aware of red flags that it may have been reporting such information incorrectly. The firm did not take steps to verify that the account statements it sent to customers accurately reported the default status of bonds and continued to misreport such information on customer account statements until it began to revise its procedures concerning the accurate reporting of the default status of bonds on account statements. The findings also included that the firm failed to deliver required annual privacy notices, margin disclosures, and order execution disclosures. The firm used a third-party vendor to provide monthly account statements to customers via mail or electronic delivery through the firm’s online platform. The firm was responsible for providing the vendor with required notices and disclosures to include with the account statements delivered to customers. However, the firm failed to instruct the vendor to append the required notices and disclosures to the account statements sent electronically to the firm’s customers, and as a result, the firm failed to deliver required privacy notices, order execution disclosures, and margin disclosures to customers. The notices were available on the firm’s website. FINRA found that the firm did not have a supervisory system reasonably designed to achieve compliance with its obligation to deliver annual privacy notices, order execution disclosures, and margin disclosures. The firm’s WSPs required the firm to deliver the privacy notices, order execution

disclosures, and margin disclosures to customers on an annual basis. However, the firm did not have any system to verify that such notices were sent to customers who elected to receive materials from the firm via its online platform. Instead, the firm relied on its vendor to deliver these required annual notices and disclosures to customers, but the firm did not take any steps to verify that its vendor had appended the required notices and disclosures to the account statements sent electronically to customers. Ultimately, the firm identified that customers had not been receiving the required notices and disclosures, implemented changes in its delivery process, and self-reported the issue to FINRA. Subsequently, the firm revised its policies to require firm personnel to validate that the required annual notices and disclosures had been delivered to customers. ([FINRA Case #2019062118301](#))

### **Vanguard Marketing Corporation ([CRD #7452](#), Malvern, Pennsylvania)**

November 4, 2022 – 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 accepted option exercise instructions after the cut-off time. The findings stated that the firm's WSPs established 4:30 p.m. eastern time (ET) as the firm's internal deadline for the acceptance of option exercise instructions. However, the firm's supervisory system required that employees complete an option exercise form, which indicated that exercise instructions could be accepted on a best efforts basis after 4:30 p.m. The option exercise form was incorporated into the firm's WSPs. In one instance, a firm customer held out-of-the-money put options in a publicly traded company, with strike prices of two and two-and-one-half. As of market close that day, the customer's options were set to automatically expire worthless pursuant to the Ex-by-Ex procedures because the options were out of the money. After the market closed, however, the company announced that it had filed for bankruptcy, which caused the customer's options to become in-the-money when the after-hours price for the company's stock dropped below the two and two-and-one-half strike prices of the customer's puts. At 6:27 p.m. ET, the customer called the firm and spoke with an equity and options trader. The customer requested to exercise all of his put options in the company, which were expiring that day. The firm trader initially explained that he could not assist the customer because he had not submitted instructions to exercise his options before the firm's internal cut-off time of 4:30 p.m. ET. However, at the customer's request, the trader contacted his supervisor, who told the trader that the firm could accept the customer's exercise instructions on a best efforts basis. The firm then accepted the customer's exercise instructions, and the customer's options were exercised at shortly after 7:00 p.m. ET. The customer earned a net profit of \$32,709.10 from exercising the options. The findings also stated that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with the requirements for handling option exercise instructions after the



exercise cut-off time established. The firm's WSPs established 4:30 p.m. ET as the firm's internal deadline for the acceptance of option exercise instructions, but the firm's option exercise form, incorporated into the firm's WSPs, indicated that exercise instructions could be accepted on a best efforts basis after 4:30 p.m. The firm lacked supervisory systems and procedures to resolve this discrepancy, and the firm's WSPs failed to identify the cut-off time for accepting option exercise instructions. Ultimately, the firm revised its WSPs and option exercise form to state that no client request related to options exercise may be accepted after 5:30 ET. ([FINRA Case #2020066956001](#))

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

November 10, 2022 – An AWC was issued in which the firm was censured and fined \$375,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that due to coding errors, it misreported the covered quantity of over-the-counter (OTC) short positions to the Large Options Position Report (LOPR). The findings stated that the firm failed to establish and maintain a supervisory system and WSPs reasonably designed to achieve compliance with rules governing LOPR reporting. The firm's supervisory system and WSPs concerning LOPR provided for supervisory reviews of LOPR reporting that included reviews of rejected records, acting-in-concert submissions, and periodic reviews for completeness. However, the firm's supervisory system and WSPs failed to provide for any supervisory review to determine whether the short-covered quantity information reported to the LOPR was complete and accurate. As a result, the firm failed to detect that it was misreporting the covered quantity of short positions for over eleven years. Subsequently, the firm completed the remediation of the coding errors and amended its supervisory system and WSPs to include a review of the short-covered quantity. ([FINRA Case #2020066233401](#))

**Boustead Securities, LLC ([CRD #141391](#), Irvine, California)**

November 14, 2022 – 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 failed to collect certain required account and investment profile information of its customers participating in private placement offerings and also failed to file, or timely file, certain required corporate offering filings. The findings stated that the firm's WSPs required the use of new account forms to collect and record customer and investment profile information, but it did not enforce this procedure with respect to certain customers in certain private placement offerings. In practice, the firm did not require the use of new account forms for customers participating in private placements. Instead, the firm collected customer information through other methods such as an issuer-specific subscription agreement, the registration process conducted through an affiliated

crowd funding portal, or an accredited investor questionnaire. The firm's WSPs did not address the collection of customer information through a crowd funding portal and did not provide any guidance as to the content of subscription agreements or accredited investor questionnaires or require them to solicit any specific customer information. In sampled private placement transactions, the firm failed to collect at least one component of the customer and investment profile information required by the Securities Exchange Act of 1934 (Exchange Act) Rule 17a-3 or FINRA Rules 4512 and 2111. The findings also stated that the firm's supervisory system, including WSPs, was not reasonably designed to achieve compliance with Exchange Act Rule 17a-3 and FINRA rules. The firm's WSPs acknowledged the firm's obligation to comply with FINRA Rule 5110, but it did not establish any procedures to do so. For example, there was no reasonable process to ensure the firm made timely filings required by Rule 5110 and it did not assign an individual to be responsible for compliance with the rule. In addition, although the firm authorized its outside counsel to make the filings required by Rule 5110, it did not have a process to ensure that its counsel or others made such filings in accordance with the rule. The firm failed to file with FINRA, and failed to timely file with FINRA, documents required by Rule 5110. Ultimately, the firm revised its WSPs and supervisory system to address the requirements of Exchange Act Rule 17a-3 and FINRA Rules 4512, 2111, and 5110. ([FINRA Case #2019060735601](#))

**Citigroup Global Markets Inc. ([CRD #7059](#), New York, New York)**

November 17, 2022 – An AWC was issued in which the firm was censured and fined \$100,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it published inaccurate reports on its routing of non-directed orders in National Market System (NMS) securities. The findings stated that the firm made publicly available reports on its routing of non-directed orders in NMS securities that, based upon inaccurate information received from a vendor, over-reported the percentage of non-directed customer orders as well as non-directed customer orders that had been routed to the firm's alternative trading system (ATS). In addition, the firm's reports failed to include all of the venues requiring disclosure. The findings also stated that the firm failed to establish and maintain a supervisory system and WSPs reasonably designed to achieve compliance with Rule 606 of Regulation NMS. The firm relied on a third-party vendor to supply the data for Rule 606 reporting. The firm's procedures required a designated person to review the data to ensure that the percentages and underlying order counts appear accurate. The firm's procedures, however, did not describe how the reviews should be performed nor require any review of the accuracy of the underlying data. Ultimately, the firm has added to its WSPs the steps to be performed to conduct this review. ([FINRA Case #2019063024201](#))



**Barclays Capital Inc. ([CRD #19714](#), New York, New York)**

November 21, 2022 – An AWC was issued in which the firm was censured and fined \$175,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it overstated its advertised trading volume in thousands of instances and by approximately 147 million shares. The findings stated that the firm used a proprietary system to calculate the volume of the firm's trades and transmit that information to a private provider of market data to be advertised. This system suffered from several technology flaws which caused various errors that led to inflated calculations of the firm's trade volume. The system then automatically transmitted these trade volume calculations directly to the market data provider, which posted them for advertisement. The improper calculations that inflated the firm's trade volume included counting trades that were subsequently canceled or corrected, counting transactions between the firm's affiliates as if they were trades between the firm and non-affiliated entities, and double-counting trades executed in the market when there was a subsequent transfer of the same security in a riskless principal transaction. Ultimately, the firm corrected the technology flaws. The findings also stated that the firm's supervisory system and WSPs were not reasonably designed to achieve compliance with FINRA Rule 5210. The firm's WSPs addressed neither how the firm should calculate its trading volume nor how the firm should monitor its advertised trading volumes for accuracy. Subsequently, the firm implemented new WSPs addressing advertised trading volume. ([FINRA Case #2019061298301](#))

**Morgan Stanley Smith Barney LLC ([CRD #149777](#), Purchase, New York)**

November 21, 2022 – An AWC was issued in which the firm was censured, fined \$200,000, and required to pay \$497,897, plus interest, in restitution to customers. The firm has previously paid restitution to some of the customers who suffered losses as a result of the conduct described in this AWC, either through settlement or as part of an arbitration award. This AWC orders restitution to the remaining customers. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to reasonably supervise registered representatives who recommended potentially high-risk securities to their customers in violation of the firm's Plan of Solicitation policy. The findings stated that the firm received alerts that some of its registered representatives had made hundreds of recommendations that violated the firm's Plan of Solicitation policy. The firm's procedures require that a supervisor at the firm review and approve the Plan of Solicitation prior to the representative recommending the security. Each of the representatives recommended that customers purchase securities in quantities that were subject to the firm's pre-approval requirement but did not complete a Plan of Solicitation. Some of the recommended securities were high risk and inconsistent with certain of their customers' moderate or conservative risk tolerances. The firm did not take appropriate action in response to alerts that its representatives had

violated the Plan of Solicitation policy. In particular, the firm did not evaluate whether the recommendations were consistent with the customers' investment profiles. These customers incurred realized losses as a result of many of the recommended trades. Subsequently, the firm improved its enforcement of the Plan of Solicitation policy, including by directing review of Plan of Solicitation alerts to a central review unit. ([FINRA Case #2016051634802](#))

### **UBS Securities LLC ([CRD #7654](#), New York, New York)**

November 21, 2022 – An AWC was issued in which the firm was censured and fined \$675,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to timely report transactions to FINRA's Trade Reporting and Compliance Engine (TRACE) and reported trades in corporate debt late to TRACE. The findings stated that the majority of the late reports resulted from the firm's need to amend reports to correct trade information and manual processes associated with entering trades into firm systems. In addition, the firm reported trades in securitized products late to TRACE generally due to the firm's need to amend reports to correct transaction information. The findings also stated that due to erroneous coding logic the firm misapplied the No Remuneration indicator on corporate debt reports. The firm improperly appended the No Remuneration indicator on approximately 108,000 TRACE corporate debt reports, which represented 24 percent of the firm's corporate debt reports related to customer and affiliate trades. The findings also included that the firm submitted non-reportable transactions in corporate debt and Treasuries to TRACE because it misclassified an internal account as a non-member affiliate account during the firm's transition to a new order management system. FINRA found that due to a system configuration error, the firm overreported to TRACE the size of transactions in factor bonds by failing to adjust the bonds' principal value based upon previous partial redemptions. FINRA also found that due to a coding error, the firm submitted TRACE reports for inter-dealer trades in securitized products with a broker-dealer affiliate that incorrectly identified the contra-party as being a customer. These inaccurate securitized products reports constituted 35 percent of the firm's inter-dealer trades in securitized products. In addition, FINRA found that the firm's supervisory system was not reasonably designed to achieve compliance with TRACE reporting rules. The firm failed to reasonably and timely address recurring issues concerning late corporate debt reporting, some of which were a subject of a prior AWC. While the firm initially began to review and take steps toward addressing issues concerning late reporting, it did not develop a formal remediation plan until a year later and did not fully remediate the late reporting issues until two years after beginning the review. The firm's supervisory system, including its WSPs, also did not contain reasonable supervisory reviews for accuracy of TRACE reporting. Furthermore, the firm's trading groups executed fixed income transactions and reported to TRACE without a reasonable supervisory system for TRACE reporting. ([FINRA Case #2017053191801](#))

**FSC Securities Corporation ([CRD #7461](#), Atlanta, Georgia), Royal Alliance Associates, Inc. ([CRD #23131](#), Jersey City, New Jersey) SagePoint Financial, Inc. ([CRD #133763](#), Phoenix, Arizona), and Woodbury Financial Services, Inc. ([CRD #421](#), Oakdale, Minnesota)**

November 30, 2022 – An AWC was issued in which FSC was censured, fined \$50,000, and ordered to pay \$277,612.30, plus interest, in partial restitution to customers, Royal Alliance was censured, fined \$35,000, and ordered to pay \$171,500, plus interest, in partial restitution to customers, SagePoint was censured, fined \$60,000, and ordered to pay \$325,475.66, plus interest, in partial restitution to customers, and Woodbury was censured, fined \$55,000, and ordered to pay \$300,224.98, plus interest, in partial restitution to customers. The amount of partial restitution being paid to customers is equal to the commissions the firms received in connection with these customers' investments. Without admitting or denying the findings, the firms consented to the sanctions and to the entry of findings that they negligently failed to tell investors in an offering related to the alternative asset management firm that the issuer failed to timely make required filings with the Securities and Exchange Commission (SEC), including filing audited financial statements. The findings stated that while representatives at the firms received a letter from the alternative asset management firm notifying them of delays and its stated intention to complete a forensic audit, the firms continued to sell limited partnership interests. FSC Securities made sales with a total principal amount of \$4,265,890, earning \$298,612 in commissions, Royal Alliance made sales with a total principal amount of \$2,450,000, earning \$171,500 in commissions, SagePoint Financial made sales with a total principal amount of \$4,951,546, earning \$343,308 in commissions and Woodbury Financial made sales with a total principal amount of \$4,638,928, earning \$324,725 in commissions. However, in connection with these sales the firms' representatives did not inform the customers that the issuer had not timely filed its audited financial statements with the SEC or the reasons for the delay. The delay in filing audited financial statements was material information that should have been disclosed. Subsequently, the SEC filed a complaint against the alternative asset management firm and other defendants alleging, among other things, that the defendants engaged in securities fraud in violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. (Case No. 1:21-cv-00583, E.D.N.Y.). The United States Department of Justice also brought criminal charges against the alternative asset management firm's founder and CEO and two other executives, charging, among other things, securities fraud, mail fraud and wire fraud (Case No. 1:21-cr-54, E.D.N.Y.). ([FINRA Case #2018060895801](#))

## Individuals Barred

### **Yoon Sik Chung ([CRD #5978168](#), Buena Park, California)**

November 2, 2022 – An Order Accepting Offer of Settlement was issued in which Chung was barred from association with any FINRA member in all capacities. Without admitting or denying the allegations, Chung consented to the sanction and to the entry of findings that he engaged in an unethical course of conduct. The findings stated that Chung accepted approximately \$14,000 at the direction of two individuals whom he met online but never met in person or spoke to over the phone, and transferred those funds, along with additional funds totaling approximately \$3,000 that he previously accepted, despite believing that the funds were proceeds of illicit activities and that he was facilitating money laundering. Chung engaged in this activity at least in part to obtain funds to pay for his personal expenses and business expenses at his member firm. ([FINRA Case #2020067734201](#))

### **Bruce Lavar Davis ([CRD #5602776](#), Rancho Cordova, California)**

November 4, 2022 – An AWC was issued in which Davis was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Davis consented to the sanction and to the entry of findings that he refused to provide documents and information requested by FINRA regarding his personal finances and taxes, including certain checks, in connection with its investigation of his alleged conversion of \$206,000 of his member firm's funds. The findings stated that the firm reported in a Uniform Termination Notice for Securities Industry Registration (Form U5) that Davis was terminated because he failed to repay funds he received from the firm in error and did not respond to its requests to return the funds. ([FINRA Case #2021070327601](#))

### **Hans Patrick Kulicke Eveillard ([CRD #7190141](#), Bradenton, Florida)**

November 4, 2022 – An AWC was issued in which Eveillard was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Eveillard consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA during the course of an investigation that originated from a customer complaint filed with it. ([FINRA Case #2021073508501](#))

### **Trevor Michael Saliba ([CRD #2692057](#), Beverly Hills, California)**

November 4, 2022 – Saliba appealed a National Adjudicatory Counsel (NAC) decision to the SEC. Saliba was barred from association with any FINRA member in all capacities. The NAC, on remand from the SEC for clarification of findings and reconsideration of sanctions, modified the findings and sanctions imposed. The sanction was based on the findings that, while acting as a principal of his member firm, Saliba caused the firm to violate interim restrictions placed on it pending the disposition of a continuing membership application (CMA). The findings stated that

Saliba violated the interim restrictions by, among other things, signing engagement agreements on behalf of the firm. The findings also stated that Saliba falsely testified during his on-the-record testimony about his use of computers and failed to produce all of his computers to FINRA. The findings also included that Saliba provided falsified memoranda to FINRA. The memoranda purported to show that Saliba had received authorization to enter into engagement agreements while the interim restrictions were in place. FINRA found that Saliba obtained backdated compliance records from associated persons of the firm and provided those records to FINRA. The NAC dismissed the finding that Saliba knew one set of memoranda were false when he provided them to FINRA because the evidence was insufficient as to whether he knew they were false.

The bar is in effect pending review. ([FINRA Case #2013037522501](#))

**Thomas Jacob Ciolek ([CRD #2314551](#), Olean, New York)**

November 7, 2022 – An AWC was issued in which Ciolek was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Ciolek consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA during the course of an investigation initiated after his member firm terminated his registration by Form U5 for electronically signing account documents on behalf of customers, in violation of the firm document signature policy. ([FINRA Case #2021070741901](#))

**Allen Israel Hershberg ([CRD #1112312](#), Los Angeles, California)**

November 11, 2022 – An AWC was issued in which Hershberg was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Hershberg consented to the sanction and to the entry of findings that he failed to provide documents and information requested by FINRA in connection with its investigation into allegations made in a Form U5 filed by his member firm. The findings stated that the Form U5 disclosed that the firm permitted Hershberg to resign due to concerns regarding his unapproved outside real estate investments, as well as concerns regarding his recommendation of those same outside real estate investments to firm clients and others, including through limited liability companies he created. ([FINRA Case #2022075757801](#))

**James Walter Kondrasuk ([CRD #2469994](#), Madison, Wisconsin)**

November 11, 2022 – An AWC was issued in which Kondrasuk was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Kondrasuk consented to the sanction and to the entry of findings that he refused to produce information and documents requested by FINRA in connection with its investigation into the allegation that he had sought to deposit a check in his brokerage account with his member firm that was signed by him and drawn on a non-existent bank account purportedly in his name. ([FINRA Case #2021071443701](#))

**Wilfredo Felix Jr. ([CRD #2693672](#), North Amityville, New York)**

November 15, 2022 – Felix appealed a NAC decision to the SEC. Felix was barred from association with any FINRA member in all capacities. The NAC affirmed the findings and sanctions imposed by the Office of Hearing Officers (OHO). The sanction was based on the findings that Felix failed to respond to multiple FINRA requests for information and documents.

The bar is in effect pending review. ([FINRA Case #2020065128501](#))

**Raymi Nodarse Valdes (CRD #6900424, Hialeah, Florida)**

November 15, 2022 – An AWC was issued in which Nodarse Valdes was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Nodarse Valdes consented to the sanction and to the entry of findings that she refused to provide on-the-record testimony requested by FINRA in connection with its investigation concerning her alleged undisclosed participation in private securities transactions. ([FINRA Case #2021072384301](#))

**Nancy Kimball Mellon ([CRD #1253484](#), Waveland, Mississippi)**

November 17, 2022 – A NAC decision became final in which Mellon was barred from association with any FINRA member in all capacities. The NAC affirmed the findings and the sanctions imposed by the OHO. The sanction was based on the findings that Mellon converted funds from her member firm. The findings stated that Mellon converted \$4,300 from the firm, \$2,800 of which came from her Financial Advisor Expense Management System account, which allowed employees to be reimbursed for their out-of-pocket business expenses from a flexible spending account to which employees contributed pre-tax dollars from their compensation, and \$1,500 from a system that enabled employees to enter their expenses for direct reimbursement from the firm. The findings also stated that Mellon falsified expense reports. Mellon directed her assistant to enter four false expense reports on her behalf that were false because Mellon represented that she had paid \$3,800 to a college football bowl game when she had not. Mellon used the front and back of a dishonored check as evidence of that payment when she knew that the check had not cleared. In addition, she sought reimbursement of an additional \$500 more than the college football bowl game invoice. The findings also included that, by submitting false expense reports, Mellon caused the firm to maintain inaccurate books and records. FINRA found that Mellon provided false and misleading information to FINRA. Mellon purposefully took steps to prevent the production of the documents requested by FINRA during its investigation into her expense reports. Mellon requested that her bank provide a letter denying the production of the account statements. Mellon also falsely responded to FINRA that the bank statements were unavailable and claimed that the college football bowl game invoice was not paid by check. FINRA gave Mellon multiple opportunities to correct her misrepresentations. In response to FINRA's



renewed requests, Mellon continued to falsely respond that she did not have access to her bank statements. In addition, in furtherance of her attempts to mislead FINRA, Mellon provided an email that contained only part of her email communications with her bank recommending that Mellon consult an attorney, which Mellon took out of context in an attempt to mislead FINRA. However, the bank confirmed to FINRA that it would provide Mellon's bank statements to her, but she had not requested the documents. Mellon knew that producing copies of statements from the joint account would reveal that she had not paid the invoice before the firm reimbursed her \$4,300. Mellon also knew that the bank would produce the statements for her if she asked for them. ([FINRA Case #2017052760001](#))

**Edward L. Turley ([CRD #1872294](#), Bullard, Texas)**

November 17, 2022 – An AWC was issued in which Turley was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Turley consented to the sanction and to the entry of findings that he refused to provide on-the-record testimony requested by FINRA related to a matter that originated from its review of a customer-initiated arbitration. The findings stated that the request for testimony related to, among other issues, Turley's trading in customer accounts, including but not limited to the use of foreign currency and margin, and the purchasing and selling of high-yield bonds and preferred stock. ([FINRA Case #2020067014001](#))

**Justin Allen Anderson ([CRD #6389728](#), Austin, Texas)**

November 23, 2022 – An AWC was issued in which Anderson was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Anderson consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA during the course of an investigation that originated after it received a Form U5 from his member firm disclosing that he was under internal review for client signature discrepancies on account documentation. ([FINRA Case #2021071179201](#))

**Brandon Self ([CRD #7067577](#), Colorado Springs, Colorado)**

November 23, 2022 – An AWC was issued in which Self was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Self consented to the sanction and to the entry of findings that he refused to provide information and documents requested by FINRA during the course of an investigation initiated after the Certified Financial Planner Board of Standards, Inc. (CFP Board) issued an administrative order permanently barring him from applying for or obtaining the CFP certification marks. The findings stated that the sanction followed Self's failure to file an answer to a CFP Board complaint alleging that he engaged in exam misconduct in connection with the CFP Exam. ([FINRA Case #2022076173201](#))

**Cathie Ann Joughin ([CRD #1044884](#), Bakersfield, California)**

November 28, 2022 – An AWC was issued in which Joughin was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Joughin consented to the sanction and to the entry of findings that she refused to provide information and documents requested by FINRA in connection with its investigation of a Form U5 filed by her member firm that stated that she had resigned while under review for compliance policy violations related to a fiduciary relationship. ([FINRA Case #2022073830201](#))

**Robert Allen Koestler ([CRD #7023515](#), Fennimore, Wisconsin)**

November 29, 2022 – An AWC was issued in which Koestler was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Koestler consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with its investigation that originated from an amended Form U5 filed by his member firm that disclosed that he was subject to an internal review concerning his involvement with potential unauthorized trades and marking solicited trades as unsolicited. ([FINRA Case #2021070890101](#))

## Individuals Suspended

**Christopher Alexander Polinaire ([CRD #4330879](#), Patchogue, New York)**

November 1, 2022 – An AWC was issued in which Polinaire was fined \$7,500, suspended from association with any FINRA member in all capacities for eight months, and ordered to pay \$128,000, plus interest, in restitution to customers. Without admitting or denying the findings, Polinaire consented to the sanctions and to the entry of findings that he engaged in excessive and unsuitable trading in customer accounts. The findings stated that Polinaire recommended that his customers place trades in their accounts, some of which were executed using margin, and the customers routinely accepted his recommendations. Polinaire's trading resulted in annual turnover rates ranging from 10.01 to 45.23 and annualized cost-to-equity ratios ranging from 35.65 percent to 152.56 percent. In total, the customers paid a combined \$128,000 in commissions and fees based on the trades Polinaire recommended.

The suspension is in effect from November 7, 2022, through July 6, 2023. ([FINRA Case #2020066685701](#))

**Joel Darren Plasco ([CRD #3220164](#), New York, New York)**

November 7, 2022 – An AWC was issued in which Plasco was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Plasco consented to the sanctions and to the entry of findings that he participated in private securities

transactions without providing prior written notice to his member firm. The findings stated that Plasco loaned \$200,000 to a company for one month and expected to receive a 100 percent return at maturity. The loan was a security. After the company defaulted on the loan, the parties entered into a settlement agreement, pursuant to which Plasco received shares of a thinly traded stock of a different company that he sold in a private transaction for \$75,000. Plasco did not provide the firm with written notice or obtain the firm's written approval prior to participating in these private securities transactions. The findings also stated that Plasco opened outside brokerage accounts at three firms without the prior written consent of his firm. The findings also included that Plasco engaged in five outside businesses without providing prior written notice to the firm in the manner specified by the firm. Plasco served as a senior executive with and, in some instances, received compensation from six related businesses in the aviation industry. Plasco did not provide the firm with prior written notice of five of the six businesses.

The suspension is in effect from November 7, 2022, through May 6, 2023. ([FINRA Case #2020068211001](#))

**Christopher John Shaw ([CRD #5011382](#), Belmont, North Carolina)**

November 7, 2022 – An AWC was issued in which Shaw was fined \$5,000 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Shaw consented to the sanctions and to the entry of findings that he exercised discretion to execute trades in customer accounts without the customers' written authorization or his member firm's acceptance to trade the accounts on a discretionary basis. The findings stated that Shaw mistakenly believed he had discretionary authority for the accounts. However, the firm did not permit the use of discretion in its brokerage accounts.

The suspension was in effect from December 5, 2022, through December 23, 2022. ([FINRA Case #2020067955001](#))

**Christopher Thomas Eriksson ([CRD #2487298](#), Orono, Minnesota)**

November 9, 2022 – An AWC was issued in which Eriksson was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Eriksson consented to the sanctions and to the entry of findings that he borrowed money from a customer without notice to, or approval from, his member firm. The findings stated that Eriksson borrowed \$350,000 from a customer, at a fixed interest rate, as documented by a promissory note drafted by one of the co-trustees of the customer. Eriksson has paid off in full the principal and interest of the loan. The findings also stated that Eriksson engaged in three undisclosed outside business activities (OBAs). In addition, Eriksson submitted questionnaire responses to the firm which failed to disclose all his OBAs.

The suspension is in effect from November 21, 2022, through May 20, 2023. ([FINRA Case #2020068025901](#))

**Theodore M. Serure (CRD #419023, Aventura, Florida)**

November 9, 2022 – An AWC was issued in which Serure was fined \$20,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Serure consented to the sanctions and to the entry of findings that he borrowed a total of approximately \$7.3 million from his customers without providing notice to and receiving pre-approval from his member firms. The findings stated that Serure was never indebted to his customers at any time for more than \$2 million since he used some of the loan proceeds to pay off earlier customer loans. Serure repaid all of the customer loans, and none of the customers complained. All of the customers from whom Serure borrowed money were wealthy and financially sophisticated. Serure had been close friends with each customer for decades, some since childhood.

The suspension is in effect from December 5, 2022, through April 4, 2023. ([FINRA Case #2019063945301](#))

**Ellen Gayle Reynard (CRD #6148906, Kountze, Texas)**

November 10, 2022 – An AWC was issued in which Reynard was fined \$5,000 and suspended from association with any FINRA member in all capacities for five months. Without admitting or denying the findings, Reynard consented to the sanction and to the entry of findings that she falsified forms that she submitted to her member firm to effectuate money movements requested by her customers. The findings stated that Reynard directed the customers to sign blank or incomplete forms, but neither Reynard nor the customers completed or submitted the forms at the time Reynard obtained their signatures. Instead, Reynard maintained the blank, signed forms, which she later photocopied, completed and submitted to the firm at the customers' requests. By falsifying forms associated with money movements from customer accounts, Reynard caused the firm to maintain inaccurate books and records.

The suspension is in effect from November 21, 2022, through April 20, 2023. ([FINRA Case #2021072841801](#))

**Hinman Au (CRD #2243462, Flushing, New York)**

November 11, 2022 – An AWC was issued in which Au was fined \$20,000, suspended from association with any FINRA member in all capacities for 45 days, suspended from association with any FINRA member in any principal capacity for 18 months, and required to requalify as a principal by passing the requisite examination(s) prior to acting in that capacity with any FINRA member. The suspensions are to run consecutively. Without admitting or denying the findings, Au consented to the

sanctions and to the entry of findings that he failed to establish and implement an AML program that could reasonably be expected to detect and cause the reporting of suspicious transactions. The findings stated that as his member firm's AMLCO, Au drafted the firm's written AML procedures and was responsible for updating them. The procedures stated that Au would make every effort to detect any efforts to manipulate the market. However, Au did not identify in the procedures any types of manipulative trading, and he did not describe how the firm would detect manipulative trading. In addition, the firm's procedures stated that Au would create parameters, including for trade review and wire transfers, to determine whether a transaction lacks financial sense or is suspicious because it is an unusual strategy for that customer. However, Au never created any such parameters, and the procedures did not describe how any parameters should be set. Although the firm's AML procedures also required the use and review of exception reports to detect unusual transactions, Au did not identify any specific exception reports in the procedures, did not describe how supervisors should use any reports, or what activity should trigger further action by supervisors or the firm. Au did not use any exception reports or automated tools to detect suspicious activity, and instead relied almost exclusively on a manual review of the daily trade blotter to identify suspicious trading, which was not reasonable given the volume and complexity of trading by the firm's customers. Moreover, the blotter did not reflect patterns of trading across accounts or across multiple days, which made manual review of the blotter an unreasonable way to identify suspicious activity. In practice, Au limited the review of the trade blotter to a determination of whether transactions involving a significant number of shares were consistent with customers' trading histories. As a result of Au's failure to implement a reasonably designed AML program, he failed to detect, investigate, and respond to red flags of suspicious activities. The findings also stated that Au failed to implement the firm's Customer Identification Program (CIP) with respect to retail and institutional customer accounts located in foreign jurisdictions. The findings also included that Au failed to reasonably supervise for potentially manipulative trading. As a result, Au failed to detect potential market manipulation by a customer, including matched orders in a company's stock, and by additional customers who sold the company's stock on a single day. In addition, Au failed to reasonably address the potential market manipulation that was brought to his attention by FINRA and the firm's routing and clearing broker. This included Au unreasonably relying on unverified representations from a customer about its steps to prevent potential market manipulation in the future. FINRA found that Au caused the firm to maintain incomplete books and records by using an instant messaging application to communicate regarding securities-related business with another individual associated with the firm and used his personal email to communicate with another FINRA member regarding the referral of potential investors in a company's initial public offering. Au did not retain copies of these instant messages or emails for his firm to preserve.

The suspension in all capacities is in effect from December 5, 2022, through January 18, 2023. The suspension in any principal capacity will be in effect from January 19, 2023, through July 18, 2024. ([FINRA Case #2019062623003](#))

**Douglas Fulton Kaiser ([CRD #1674570](#), Boca Raton, Florida)**

November 11, 2022 – An AWC was issued in which Kaiser was fined \$5,000, suspended from association with any FINRA member in any principal capacity for three months and required to attend and satisfactorily complete twenty hours of continuing education concerning supervision. Without admitting or denying the findings, Kaiser consented to the sanctions and to the entry of findings that he failed to supervise his member firm's markups and markdowns for U.S. Treasury securities. The findings stated that Kaiser was the supervisor of the firm's fixed-income trading desk while a representative who was recommending an unsuitable investment strategy characterized by the active, short-term trading of U.S. Treasury securities and charging excessive markups on certain proceeds transactions involving U.S. Treasury securities was registered at the firm. In his role, Kaiser was responsible for reviewing markups and markdowns on fixed-income transactions. For eight customers who suffered losses due to the representative's Treasury-trading strategy, the representative charged, and Kaiser approved, markups or markdowns in excess of the firm's markup and markdown policy. Kaiser failed to recognize and respond appropriately to the elevated markups and markdowns. Moreover, for five of the eight customers, Kaiser miscalculated the markdowns the representative charged for certain sales on one day. Those sales were part of a group of same-day sales followed by purchases the following day that collectively amounted to proceeds transactions. Accordingly, Kaiser failed to reasonably supervise the representative's markups and markdowns on U.S. Treasuries.

The suspension is in effect from December 5, 2022, through March 4, 2023. ([FINRA Case #2020066903601](#))

**Michael Joseph Lancaster ([CRD #1353552](#), Magnolia, Ohio)**

November 11, 2022 – An AWC was issued in which Lancaster was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in all capacities for four months, and ordered to pay deferred disgorgement of commissions received in the amount of \$4,410, plus interest. Without admitting or denying the findings, Lancaster consented to the sanctions and to the entry of findings that he recommended that a customer, who was 72 years old at the time, invest \$70,000 in shares of a commercial equipment leasing and finance fund, which was an alternative investment, even though the investment was inconsistent with the customer's investment profile and financial situation. The findings stated that the liquid net worth required for the customer's investment amount, as stated in the investment prospectus, exceeded the customer's liquid net worth. In addition, the



high-risk and illiquid nature of the investment was not consistent with the customer's moderate risk tolerance. Yet, the customer used funds from his retirement account to make the investment. Even though the investment subsequently declined in value, the customer continued to hold the investment based on Lancaster's recommendation that he do so. The investment continued to decline in value until the customer liquidated the investment nearly 10 years later. The customer sustained losses and was compensated by Lancaster's member firm. The findings also stated that after the customer complained to Lancaster about the performance of the investment, Lancaster made payments to the customer totaling \$14,460.40 to attempt to settle the complaint without the knowledge or approval of his firm. The findings also included that Lancaster submitted compliance questionnaires to his firm falsely stating that he had not made any private settlement of claims or reimbursed customers for losses. Subsequently, the customer, through his attorney, sent a written complaint to the firm regarding Lancaster, including Lancaster's attempt to settle his complaint.

The suspension is in effect from November 21, 2022, through March 20, 2023. ([FINRA Case #2021070463601](#))

**John Mark Selleh (CRD #1292048, Tempe, Arizona)**

November 14, 2022 – An AWC was issued in which Selleh 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, Selleh consented to the sanctions and to the entry of findings that he assisted a registered representative whom he previously supervised at his member firm to provide false information to that representative's new firm during the course of its internal investigation. The findings stated that Selleh helped the representative draft a written response to the other firm that falsely represented that the representative had invested a customer's assets in a loan. Selleh also helped the representative draft a promissory note to document the purported loan and compose purported meeting notes with the customer. While Selleh did not actually know about the representative's misconduct, which involved stealing the customer's assets, he acted recklessly in assisting the representative given various red flags, such as the representative's desire to recreate and backdate a purportedly six-year-old promissory note as well as material inconsistencies between what the representative told Selleh and information that appeared in the purported customer meeting notes. The representative later informed Selleh that he had been terminated by the other firm and warned him that he had told his firm that Selleh had a copy of the purported promissory note. When Selleh's firm personnel met with him, Selleh falsely told them that he did not have the note and did not help the representative draft it. At a subsequent meeting with his firm's personnel, Selleh told the truth and produced the requested document.

The suspension is in effect from November 21, 2022, through May 20, 2023. ([FINRA Case #2021072636102](#))

**Joan Ella Burgio ([CRD #5397635](#), Miami, Florida)**

November 15, 2022 – An AWC was issued in which Burgio was assessed a deferred fine of \$3,500 and suspended from association with any FINRA member in all capacities for 60 days. Without admitting or denying the findings, Burgio consented to the sanctions and to the entry of findings that she engaged in undisclosed OBAs involving a company she incorporated which provided administrative services to a private investment firm. The findings stated that Burgio received compensation totaling approximately \$292,000 from these OBAs. Burgio did not provide prior written notice to or receive written approval from her two member firms prior to engaging in these activities. Several months after joining one of the firms, Burgio finally disclosed and requested approval to engage in her OBAs, which the firm denied. In addition, Burgio falsely attested on compliance questionnaires that she had accurately and fully disclosed her OBAs.

The suspension is in effect from November 21, 2022, through January 19, 2023. ([FINRA Case #2021072641301](#))

**Blake Adam Ridenour ([CRD #5508315](#), Highlands Ranch, Colorado)**

November 15, 2022 – An AWC was issued in which Ridenour was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Ridenour consented to the sanctions and to the entry of findings that he caused his member firm to maintain inaccurate books and records by falsifying the representative code for trades in the firm's order entry system, causing the firm's trade confirmations to show an inaccurate representative code. The findings stated that Ridenour entered into an agreement through which he agreed to service certain customer accounts, including executing trades for those accounts, under a joint representative code that he shared with a retired representative. The agreement set forth what percentages of the commissions Ridenour and the retired representative earned on trades placed using the joint representative code. Although the firm's system correctly prepopulated the trades with a joint representative code Ridenour shared with the retired representative, he entered the transactions under different representative codes through which he received a higher percentage of commissions than what he was entitled to receive pursuant to the agreement. Ridenour negligently failed to verify whether certain of the transactions were subject to the agreement. In addition, Ridenour mistakenly assumed that other transactions were not subject to the agreement because they pertained to accounts opened after he executed the agreement with the retired representative. However, Ridenour did not do anything to confirm his understanding, such as speaking with the retired representative or

the firm. As a result, the firm's trade confirmations inaccurately reflected Ridenour's personal representative code or another representative code instead of the joint representative code that he shared with the retired representative. Ridenour's actions resulted in his receiving higher commissions from the trades than what he was entitled to receive pursuant to the agreement. The firm has since paid restitution to the retired representative. Ridenour reimbursed the firm a total of approximately \$33,714, which is the approximate amount of additional commissions that he received as a result of falsifying the representative code on the trades.

The suspension is in effect from December 19, 2022, through March 18, 2023. ([FINRA Case #2020068854701](#))

**Lee Ray Diedrich ([CRD #2636095](#), Sand Coulee, Montana)**

November 16, 2022 – An AWC was issued in which Diedrich 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, Diedrich consented to the sanctions and to the entry of findings that he forged customer signatures by electronically signing customer names on account opening documents and variable annuity applications. The findings stated that Diedrich listed his own email address as the customer email address on some of the account opening documents. Diedrich did not have prior permission or authority from any of the customers to electronically sign their names to the documents. The findings also stated that Diedrich caused his member firm to create and maintain inaccurate books and records by submitting the documents to the firm to be processed.

The suspension is in effect from November 21, 2022, through February 20, 2023. ([FINRA Case #2022074303701](#))

**Charles Paul Edward Jumet Jr. ([CRD #5958643](#), Memphis, Tennessee)**

November 18, 2022 – An AWC was issued in which Jumet was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 30 days. Without admitting or denying the findings, Jumet consented to the sanctions and to the entry of findings that he engaged in an OBA without his member firm's knowledge or approval. The findings stated that Jumet requested the firm's approval to become a part owner and operator of a company that conducted land surveys for commercial projects, including in the oil and gas industry. Jumet expected compensation from sharing in the profits of the company and from the proceeds of any future sale of the company. However, the firm did not approve Jumet's request. Rather, the firm requested additional information from Jumet, which he did not provide. Subsequently, Jumet became a partial owner of the company, without providing the information the firm requested and without the firm's knowledge or approval. In addition, Jumet engaged in this OBA by developing

business strategies for the company and making employment decisions for the company. Subsequently, the firm discovered that Jumet was engaging in this OBA and permitted him to resign. No firm customers or customer funds were involved in the OBA.

The suspension was in effect from November 21, 2022, through December 20, 2022. ([FINRA Case #2021073395101](#))

**David Lau ([CRD #4567411](#), Santa Rosa, California)**

November 18, 2022 – An AWC was issued in which Lau was assessed a deferred fine of \$6,000 and suspended from association with any FINRA member in all capacities for 20 days. Without admitting or denying the findings, Lau consented to the sanctions and to the entry of findings that he exercised discretionary trading authority to effect trades in customer accounts without first obtaining written authorization from the customers and his member firm to treat the accounts as discretionary.

The suspension was in effect from November 21, 2022, through December 10, 2022. ([FINRA Case #2021070917301](#))

**Hugh Ordway Barndollar III ([CRD #3027317](#), Lutz, Florida)**

November 22, 2022 – An AWC was issued in which Barndollar was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for two years. Without admitting or denying the findings, Barndollar consented to the sanctions and to the entry of findings that he participated in unapproved private securities transactions totaling \$1,418,108. The findings stated that in addition to serving as a registered representative of his member firm, Barndollar also provided asset management services as an investment advisor representative. Barndollar's firm placed him on heightened supervision due to customer arbitrations that were initiated involving alleged sales practice violations. The heightened supervision plan prohibited Barndollar from selling alternative investments through the firm. However, Barndollar participated in sales of \$742,058 in alternative investments after the heightened supervision plan began through a registered investment advisory firm. A majority of the investors were firm customers. Barndollar participated in the transactions by recommending and/or facilitating the investments, including by meeting with the investors to discuss the investments and assisting them with documentation. Barndollar's advisory clients paid advisory fees to the advisory firm on the assets held in their advisory accounts, including the alternative investments that Barndollar recommended and/or facilitated. Barndollar disclosed his advisory firm as an outside business activity (OBA) to his firm, stating that he managed accounts on a fee-based platform that involved third-party money managers. While the firm approved of this OBA, Barndollar did not provide it with prior written notice of his participation in the sale of alternative investments through

the advisory firm or obtain the firm's written approval to sell those investments. Furthermore, Barndollar falsely certified on firm annual compliance questionnaires that he had not engaged in any private securities transactions that had not been previously disclosed and approved by the firm.

The suspension is in effect from December 5, 2022, through December 4, 2024. ([FINRA Case #2021071745801](#))

**Jesus Manuel Bravo (CRD #2838164, Oceanside, New York)**

November 22, 2022 – An AWC was issued in which Bravo was suspended from association with any FINRA member in all capacities for three months and ordered to pay \$10,234.71, plus interest, in restitution to customers. In light of Bravo's financial status, the restitution due to the customers shall be payable on a schedule commencing with the first payment to be made on December 15, 2022. In light of Bravo's financial status, no monetary fine has been imposed. Without admitting or denying the findings, Bravo consented to the sanctions and to the entry of findings that he recommended unsuitable and excessive trades in customers' accounts. The findings stated that Bravo caused a senior customer to place trades with a total principal value of more than \$224,000 in his account while the customer's average monthly equity was less than \$9,500. Bravo's recommended trades caused the customer to pay more than \$5,000 in commissions and other trade costs. Bravo's recommendations resulted in an annualized cost-to-equity ratio of 35 percent – meaning that the customer's account would have to grow by more than 35 percent annually just to break even. Further, Bravo caused another customer, a carpenter with limited investment experience, to place trades in his account although the account had an average monthly equity of approximately \$10,500 and his recommended trades caused this customer to pay nearly \$5,000 in commissions and other trade costs. The trades resulted in an annualized cost-to-equity ratio of approximately 31 percent. Both customers relied on Bravo's advice and accepted his recommendations.

The suspension is in effect from December 19, 2022, through March 18, 2023. ([FINRA Case #2020066887401](#))

**Todd Michael Seymour (CRD #3249733, Oldsmar, Florida)**

November 25, 2022 – An AWC was issued in which Seymour 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, Seymour consented to the sanctions and to the entry of findings that he failed to notify his member firms about the full nature of his participation in an OBA. The findings stated that before becoming associated with any FINRA member firm, Seymour provided tax preparation and trust administration services through his wife's tax and estate business. Seymour also served as co-trustee of a trust. Both the trust and

its beneficiaries later became customers of Seymour at his firms. Upon associating with each of the firms, Seymour sought to continue working for his wife's tax and estate business. In considering Seymour's requests for approval of his OBA, each firm placed restrictions on the scope of his participation in the activity. Seymour disclosed to the first firm that he served as co-trustee of a trust, and that he worked for his wife's tax and estate business. The firm approved Seymour's work for his wife's business as an OBA but prohibited him from continuing to serve as co-trustee for the trust. When Seymour later became associated with the second firm, he again requested approval to work for his wife's business but did not disclose to the firm that he provided trust administration services, including performing the duties of a co-trustee for the trust, through his wife's business. Instead, Seymour's written request for approval described his responsibilities for his wife's business merely as tax preparation. The firm subsequently approved Seymour's work for his wife's business as an OBA but prohibited him from serving as a trustee or maintaining bill-paying authority over any third-party bank account. Seymour exceeded the scope of his approved OBA while he was associated with each firm. Seymour, at the direction of the remaining co-successor trustee, continued to perform the duties of a co-trustee for the trust, even though both firms had prohibited him from serving as a trustee. In addition, Seymour failed to comply with the second firm's prohibition against having bill-paying authority over any third-party account. Using his check-writing authority for the trust's bank account, Seymour issued checks, including checks to compensate himself for the services he provided to the trust. In so doing, Seymour engaged in OBAs without providing full and accurate prior written notice to his firms of those activities. The findings also stated that Seymour submitted compliance questionnaires to one of the firms, in which he falsely attested that he had not participated in OBAs that he had not disclosed to the firm.

The suspension is in effect from December 5, 2022, through February 4, 2023. ([FINRA Case #2020068811301](#))

**Barry Lee Garapedian (CRD #1039257, Agoura Hills, California)**

November 28, 2022 – An AWC was issued in which Garapedian 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, Garapedian consented to the sanctions and to the entry of findings that he caused his member firm to maintain inaccurate books and records by falsifying the representative code for trades in the firm's order entry system, causing the trade confirmations to show an inaccurate representative code. The findings stated that Garapedian and other registered representatives working from the same branch office entered into an agreement through which they agreed to service certain customer accounts, including executing trades for those accounts, under a joint representative code that they shared with the estate of a retired representative. The agreement set forth what percentages of the commissions the estate of the



retired representative, Garapedian, and the other representatives earned on trades placed using the joint representative code. Although the firm's system correctly prepopulated the trades with a joint representative code Garapedian shared with the estate of the retired representative, he directed a junior registered representative to enter transactions under different joint representative codes through which he received a higher percentage of commissions than what he was entitled to receive pursuant to the agreement. Garapedian also directed the junior representative to enter additional trades under different joint representative codes through which he received a lower percentage of commissions than what he was entitled to receive pursuant to the agreement. Garapedian mistakenly assumed that he had permission to change the representative codes in this manner to equalize commissions earned by him and the other representatives across accounts serviced by the branch office, including those covered by the joint production agreement. However, Garapedian had not verified that the estate of the retired representative agreed that he could change the representative code for the transactions at issue. As a result, Garapedian's actions caused the firm's trade confirmations to inaccurately reflect another joint representative code instead of the joint representative code that Garapedian shared with the estate of the retired representative. Garapedian's actions resulted in his receiving higher commissions and the retired representative's estate receiving less commissions from the trades than what each was entitled to receive pursuant to the agreement. Subsequently, the firm paid restitution of approximately \$8,000 to the estate of the retired representative, which is the approximate amount of additional commissions Garapedian received as a result of changing the representative code on the trades.

The suspension is in effect from December 5, 2022, through March 4, 2023. ([FINRA Case #2021070477901](#))

**Amy M. Greenberg (CRD #2110985, Roslyn, New York)**

November 30, 2022 – An AWC was issued in which Greenberg was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for five months. Without admitting or denying the findings, Greenberg consented to the sanctions and to the entry of findings that she willfully failed to timely amend her Uniform Application for Securities Industry Registration or Transfer (Form U4) to disclose an unsatisfied federal tax lien for \$56,937.77. The findings stated that the Internal Revenue Service mailed notice of the tax lien to Greenberg's residential address. Although Greenberg was required to disclose the tax lien via the filing of an amended Form U4 within 30 days of receiving notice, she failed to amend her Form U4 to disclose the tax lien until almost four years later.

The suspension is in effect from December 5, 2022, through May 4, 2023. ([FINRA Case #2022075674601](#))

---

**Firm Suspended for Failure to Provide Information or Keep Information Current Pursuant to FINRA Rule 9552 (The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)**

**Xnergy Financial LLC (CRD #144436)**  
Los Angeles, California  
(November 25, 2022 – December 8, 2022)

---

**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.)**

**Matthew Black (CRD #6778165)**  
Baldwin, New York  
(November 7, 2022)  
FINRA Case #2021073535201

**Michael Botrous (CRD #7464820)**  
Cedar Grove, New Jersey  
(November 21, 2022)  
FINRA Case #2022074161201

**Jaylon Briggs (CRD #7369487)**  
Phoenix, Arizona  
(November 28, 2022)  
FINRA Case #2022073895401

**Johnnie Roy Brown (CRD #6897074)**  
Detroit, Michigan  
(November 14, 2022)  
FINRA Case #2021071501301

**Courtenay Ann Donella-Sheley (CRD #3114196)**  
Manlius, New York  
(November 18, 2022)  
FINRA Case #2021073160401

**Edgar Gasman Garcia (CRD #5986217)**  
Tracy, California  
(November 1, 2022)  
FINRA Case #2021073532501

**Ciara Rose Haro (CRD #7404412)**  
Phoenix, Arizona  
(November 28, 2022)  
FINRA Case #2022073895601

**Roger David Hickman (CRD #2996012)**  
Washington, Illinois  
(November 1, 2022)  
FINRA Case #2021073078401

**Monica Aracely Laguna (CRD #6286123)**  
Denton, Texas  
(November 28, 2022)  
FINRA Case #2022074851701

**Yasmine Mercado (CRD #7459999)**  
Charlotte, North Carolina  
(November 22, 2022)  
FINRA Case #2022075162701

**Donald Charles Nelson (CRD #2473307)**  
Victorville, California  
(November 7, 2022)  
FINRA Case #2022074369601

---

**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.)

**Kenwyn John Belkot (CRD #1055210)**  
Wexford, Pennsylvania  
(November 7, 2022)  
FINRA Case #2022074342901

**Robert Joseph Calamunci Sr. (CRD #1618899)**  
Myrtle Beach, South Carolina  
(November 28, 2022)  
FINRA Case #2022074320301

**Sevag Raffi Haddadian (CRD #3249290)**  
Fullerton, California  
(November 14, 2022)  
FINRA Case #2022073907601

**Victoria Elaine Honohan (CRD #1140889)**  
Massapequa Park, New York  
(November 14, 2022 – December 16, 2022)  
FINRA Case #2022074477401

**Stefanie Ann Hurkala (CRD #5958858)**  
Bordentown, New Jersey  
(November 7, 2022)  
FINRA Case #2022075055401

**Somboun Thao (CRD #6835349)**  
Madison, Wisconsin  
(November 28, 2022)  
FINRA Case #2022074049801

**Ikenna Ubaka (CRD #7212681)**  
Charlotte, North Carolina  
(November 14, 2022)  
FINRA Case #2022074429001

---

**Individuals Suspended for Failure to Comply with an Arbitration Award or Related Settlement or an Order of Restitution or Settlement Providing for Restitution Pursuant to FINRA Rule Series 9554**  
(The date the suspension began is listed after the entry. If the suspension has been lifted, the date follows the suspension date.)

**David Kotowski (CRD #2176454)**  
Cold Spring Harbor, New York  
(April 24, 2008 – November 22, 2022)  
FINRA Arbitration Case #03-09099

**John W. Nelson (CRD #6900776)**  
Akron, Ohio  
(November 29, 2022)  
FINRA Arbitration Case #22-01323

**John Michael Palombo (CRD #2451165)**  
Austin, Texas  
(November 21, 2022)  
FINRA Case #20220766515/ARB220018

**Warren Ellwood Rowe Jr. (CRD #1065880)**  
Irvington, Virginia  
(November 1, 2022)  
FINRA Arbitration Case #20-02490

**David Sauer (CRD #2642106)**  
Sunny Isles, Florida  
(November 7, 2022)  
FINRA Case #2022076081401/  
ARB220014/Arbitration Case #20-03988

**Joseph Morris Thurnherr (CRD #5045624)**

Matawan, New Jersey  
(November 29, 2022)  
FINRA Arbitration Case #19-02155

**Jacob Troy Turner (CRD #4638411)**

Charlottesville, Virginia  
(November 1, 2022)  
FINRA Arbitration Case #22-00208

**Paul Warren Vizanko (CRD #2572222)**

Duluth, Minnesota  
(November 11, 2022)  
FINRA Arbitration Case #21-02913