

# Disciplinary and Other FINRA Actions

## Firm Fined, Individual Sanctioned

**Bradley Woods & Co. Ltd. (CRD® #13660, New York, New York) and Daniel S. Ripp (CRD #1398164, New York, New York)**

May 14, 2021 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured and fined \$50,000, of which \$10,000 is joint and several with Ripp. Ripp was suspended from association with any FINRA® member in any principal capacity, with the exception of any activities requiring registration as a Financial and Operations Principal (FINOP), for two months. Without admitting or denying the findings, the firm and Ripp consented to the sanctions and to the entry of findings that they failed to establish and maintain a supervisory system, including written supervisory procedures (WSPs), reasonably designed to achieve compliance with FINRA’s rules concerning outside business activities (OBAs). The findings stated that Ripp was responsible for the firm’s WSPs and for supervising the firm’s registered representatives, including reviewing, approving and documenting their OBAs. The firm’s WSPs did not require representatives to provide written notice of their OBAs to the firm and failed to address the requirements that the firm review OBAs to determine whether the activity is more properly characterized as a private securities transaction and keep records reflecting the review of OBAs. The findings also stated that the firm and Ripp failed to reasonably and timely review and evidence the review of OBAs that the firm’s representatives engaged in and disclosed, and timely amend representatives’ Uniform Application for Securities Industry Registration or Transfer (Forms U4) to disclose OBAs. Ripp’s analysis of each OBA failed to provide what factors he considered in reviewing the OBAs to determine if it was appropriate for the representatives to engage in them while at the firm, whether specific conditions or limitations should be imposed on the OBAs, and any factors he considered to ensure that the activities were properly characterized as OBAs and not private securities transactions. In addition, Ripp and the firm failed to timely update the Forms U4 for representatives to reflect their involvement with OBAs, with the delays in amending the representatives’ Form U4s ranging from two months to more than one year. The findings also included that the firm and Ripp failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with due diligence and filing obligations for private placements. The firm’s WSPs did not address the FINRA Rule 5123’s filing requirements. In addition, although the WSPs outlined categories of information that the firm should typically collect with respect to private placements due diligence, the WSPs did not state how the firm’s review of those materials should be conducted or memorialized. The firm has since updated its WSPs with respect to private placements. FINRA found that the firm and Ripp failed to submit a copy of any private placement memoranda, term sheet or other offering document to FINRA within 15 days of the first date

## Reported for July 2021

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).

of sale of certain private placements. The firm and Ripp also failed to evidence a reasonable due diligence review of the private placements. Although the firm collected certain documents and information related to the offerings, the firm and Ripp did not memorialize how the due diligence was conducted, nor did they document their conclusions with respect to the merits of the offerings.

The suspension is in effect from June 7, 2021, through August 6, 2021. ([FINRA Case #2018056458801](#))

## Firms Fined

### **UnionBanc Investment Services, LLC ([CRD #14455](#), Glendale, California)**

May 5, 2021 – 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 failed to establish and maintain a reasonably designed supervisory system and WSPs to achieve compliance with applicable securities laws and regulations with respect to certain types of variable annuity transactions. The findings stated that the firm failed to detect that information was missing with respect to variable annuity exchanges involving living benefit riders and buffer annuities, preventing its reviewing principals from having a reasonable basis to approve these transactions. Firm customers received a disclosure form prior to executing a variable annuity transaction that contained an acknowledgement that, by exchanging one variable annuity for another, the customer would lose some or all of the existing annuity's living and death benefits. Firm principals, who used the firm's electronic system to review and approve variable annuity transactions, were required as part of their process to review this form. While the disclosure form compared the death benefit value of the existing annuity and any reduction in the death benefit due to the exchange, it did not include the same information for the living benefit value. Additionally, while registered representatives were required to enter the death benefit value of an existing annuity into the firm's electronic system, there was no such requirement to enter the living benefit value. As a result, in numerous instances, the principal approving the variable annuity exchange did not have material information about the loss of living benefits to form a reasonable basis that the exchange would be suitable. The firm's systems and procedures also did not provide any mechanism to ensure that customers were informed of key features of buffer annuities which were sold as a replacement annuity. Consequently, the firm's reviewing principals did not have a reasonable basis to approve these transactions. The findings also stated that the firm failed to establish and maintain a system and WSPs reasonably designed to monitor rates of variable annuity exchanges. While monthly reports listing individual exchanges were available, they did not contain information necessary to detect rates of exchanges by the firm's representatives. Firm compliance personnel only used these reports to review the individual suitability of each transaction. Additionally, the firm's WSPs failed to specify who was responsible for surveilling for rates of exchanges and failed to provide

reviewing principals with any guidance for determining what constituted excessive rates of exchanges. Consequently, the firm could not determine if any of its representatives had rates of exchanges requiring further review. ([FINRA Case #2019062972401](#))

**Cantor Fitzgerald & Co. ([CRD #134](#), New York, New York)**

May 6, 2021 – An AWC was issued in which the firm was censured and fined \$250,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report to FINRA accurate short interest position data. The findings stated that the inaccurate reporting was a result of the firm erroneously reporting positions that were custodied with and already reported by its clearing firm. The findings also stated that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with FINRA Rule 4560 as related to the accuracy of its reported short interest position data. The firm’s supervisory system, including WSPs, governing short interest reporting were operational in nature and failed to include any steps reasonably designed to ensure the accuracy of its short interest reporting by accounting for and excluding positions custodied and reported by its clearing firm. Upon notification from FINRA that the firm was providing inaccurate short interest reports, the firm revised its short interest reporting procedures to exclude positions custodied with and reported by its clearing firm. ([FINRA Case #2018059464001](#))

**SpeedRoute LLC ([CRD #104138](#), New York, New York)**

May 7, 2021 – An AWC was issued in which the firm was censured and fined a total of \$310,000, of which \$266,000 is payable to FINRA. 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 rules prohibiting manipulative trading activity, such as wash and pre-arranged trades, layering and spoofing. The findings stated that the firm’s WSPs did not include a description of supervisory reviews for potentially manipulative trading activity. The WSPs included a list of real-time monitoring features and post-trade reports available to the firm, but it did not describe how it should use the reviews to identify potentially manipulative conduct. The firm relied, in part, on an individual’s manual reviews of trade blotters to detect potentially manipulative conduct which were unreasonable given the number of orders the firm routed. The findings also stated that the firm’s market access controls and supervisory procedures with respect to establishing, monitoring and amending customer credit limits were unreasonable. The firm did not have market access supervisory procedures reasonably designed to systematically limit its financial exposure as a result of its market access business. The WSPs did not require firm personnel to conduct due diligence as to the customer’s business, financial condition or trading patterns and to document those decisions. While the firm had a list of credit limits for each client, because it did not establish WSPs to require sufficient information or documentation of its review of the areas described, it could not reasonably assess whether support existed for the listed limits. Furthermore, other than a review of net capital information, the firm was

unable to demonstrate that it conducted the reviews described in its WSPs. The firm's chief compliance officer (CCO) and/or chief operating officer were to review limits on a quarterly basis by comparing the limit thresholds to clients' actual daily credit utilization. However, the WSPs failed to provide reasonable guidance regarding how such review and analysis should be conducted, or the standards that would lead the firm to amend a customer credit limit following a quarterly review. The firm also did not have a process for documenting amendments to an initial credit limit. The firm allowed intraday amendments to customer credit limits, but the process for seeking an intraday change to a credit limit, and the factors reviewed to determine whether such a change was appropriate, were not included in the WSPs. The findings also included that the firm did not conduct a documented review required under Rule 15c3-5(e)(1) of the Securities Exchange Act of 1934, or maintain evidence of what was reviewed as part of the chief executive officer (CEO) certification process required under Rule 15c3-5(e)(2). Moreover, the firm's WSPs did not set forth procedures for conducting such a review. FINRA found that the firm transmitted inaccurate information to Order Audit Trail System (OATS™) by submitting reports with incorrect codes in certain fields. FINRA also found that the firm failed to enforce its written procedures to achieve compliance with FINRA Rule 7450 by failing to conduct the reviews of its OATS submissions described in its WSPs. As a result, the firm did not detect that it submitted reports to OATS with incorrect codes. ([FINRA Case #2014043627501](#))

**Calton & Associates, Inc. ([CRD #20999](#), Tampa, Florida)**

May 18, 2021 – An AWC was issued in which the firm was censured, fined \$250,000, ordered to pay \$472,007.20, plus interest, in restitution to customers and required to retain an independent consultant to conduct a comprehensive review of the adequacy of its compliance with FINRA Rules 3110(a), 2111 and 2010, including but not limited to, the firm's policies, systems and procedures related to non-traditional and volatility-linked exchange traded products (ETPs). Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system reasonably designed to achieve compliance with its suitability obligations in connection with sales of non-traditional and volatility-linked ETPs. The findings stated that sales of volatility-linked ETPs were not addressed in the firm's written procedures, exception reporting, or training. The firm only reviewed sales of these ETPs incidentally, as part of its non-traditional ETP trade review, if the ETP was also leveraged. To the extent such a review took place, it did not focus on the significant and well-known risks specific to volatility-linked ETPs. In addition, the firm did not conduct suitability reviews or establish written suitability guidelines required under its procedures, and its supervisors did not regularly review all non-traditional ETP transactions. Rather, the firm only reviewed a portion of such transactions on an ad hoc basis. During a FINRA examination, the firm represented that it had restricted trading in non-traditional ETPs, had implemented a non-traditional ETP disclosure document and would require all its registered representatives to undergo training in exchange-traded funds. In fact, the firm had not implemented the block, only sporadically provided the disclosure document

to customers and did not provide training on exchange-traded funds, including non-traditional ETPs. Despite the requirements of the firm's written procedures, its supervisors failed to review every non-traditional ETP transaction, in part because the firm lacked adequate systems for identifying non-traditional ETPs. The firm also lacked a reasonable supervisory system for monitoring holding periods of non-traditional ETPs, even though the products are typically not suitable for long-term investment, because it relied upon a single supervisor's ad hoc reviews. The findings also stated that the firm made unsuitable recommendations to purchase non-traditional and volatility-linked ETPs. The firm failed to conduct reasonable diligence to understand the features and risks of the ETPs before allowing representatives to offer them to customers. As a result, the firm's representatives sold those ETPs to customers without understanding the products' features and risks, including that such products were only meant to be held on a short-term basis. One of the consequences was that many customers held those ETP positions for longer periods of time, thereby incurring losses. The findings also included that the firm failed to offer retail customers educational materials prior to their first purchases of collateralized mortgage obligations. After FINRA commenced inquiries about whether materials had been offered, the firm provided the materials to the customers. FINRA found that the firm failed to establish, maintain and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with FINRA Rule 2216(b)(2). FINRA also found that the firm permitted an individual to supervise a representative, even though the representative determined and paid the supervisor's compensation after hiring her and had the authority to determine whether she remained employed. The supervisor's compensation consisted of a share of as much as five percent of the representative's commissions, a housing subsidy to live in a residence owned by the representative's spouse and a salary. In addition, FINRA found that the firm allowed a non-registered person to engage in the securities business of the firm by accepting and entering customer securities orders at the branch operated by the representative, after the representative had hired him as a branch assistant. The firm granted the non-registered person access to its systems for customer accounts and securities order entry but did not reasonably supervise him to ensure that he was appropriately registered or exclusively performing tasks that did not require registration. ([FINRA Case #2018060466201](#))

**Wolverine Execution Services, LLC ([CRD #120719](#), Chicago, Illinois)**

May 24, 2021 – An AWC was issued in which the firm was censured and fined \$170,000, of which \$97,625 shall be paid to FINRA. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it inaccurately marked sell orders as long rather than short. The findings stated that the firm engaged in riskless principal transactions for customers in which it incorrectly entered those orders in the same manner in which it had received them, such that if it received an order to sell long, it would enter a sell long order into an exchange, even if the firm was not actually long. The firm's supervisory system, including its WSPs, was not reasonably designed to achieve compliance with Regulation SHO Rule 200(g). In addition, the firm's supervisory system, including its

WSPs, failed to address how it would supervise for compliance with Regulation SHO Rule 200(g) marking requirements for orders that it executed in a riskless principal capacity. Furthermore, the firm failed to document compliance with the locate requirement. The firm relied on its clients to attest that they had a locate for short sales, and configured its order management system so that when a client entered a short sale order, an electronic window prompt requested that the client attest that it met the locate requirement and allowed the customer to provide related information. If a client did not affirm that client has a locate, the trade would not be routed. The firm failed to retain records reflecting the client attestations or other documentation reflecting the reasonable grounds for the client's attestation. The findings also stated that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with locate requirements. The firm failed to address the requirement that it document compliance with the locate requirement and maintain those documents. Although the firm would periodically verify that the attestation function was operating properly, it failed to keep records of its customers' attestations or other documentation reflecting the reasonable grounds for the client's attestation. The findings also included that the firm failed to report or submitted incorrect reports to the FINRA Trade Reporting Facility® (TRF). The firm failed to submit a regulatory report on the second leg of riskless principal transactions to the TRF, incorrectly reported the execution price in its non-regulatory clearing report to the appropriate TRF, incorrectly reported the execution price in its non-regulatory clearing report to the TRF, incorrectly reported the execution price, execution quantity and the special trade code in its non-regulatory clearing report for step out transactions to the TRF and failed to submit a regulatory report on the second leg of a riskless principal transaction to the TRF and incorrectly reported the execution price, execution quantity and special trade code in its non-regulatory clearing report to the TRF. In addition, the firm's supervisory system, including its WSPs, failed to review for compliance with its TRF reporting obligations. Although the firm had WSPs regarding riskless principal transactions, these WSPs centered on determining whether the fees and markups/markdowns charged to clients were appropriate, and not reviewing whether the riskless principal transactions were being accurately reported to the TRF. The firm's WSPs did not contain procedures relating to its TRF reporting obligations. FINRA found that the firm failed to meet its OATS reporting obligations pertaining to order data transmission requirements. The firm failed to report the correct routing method code; failed to report the limit price; failed to report the limit price and incorrectly reported the execution timestamp; failed to report the correct routing method code; incorrectly reported an Intermarket Sweep Order, incorrectly reported the routing method code, route price and routed order type flag; and failed to report the limit price and the limit on open special handling instruction. In addition, the firm failed to meet its obligations pertaining to recording and preserving order event information. The firm failed to memorialize the Routed Order ID, and order time in milliseconds; failed to memorialize in its order records cancel replace information, route information, or cancellation of the order; failed to memorialize the event times in its order records; failed to memorialize its Order ID in its order records; incorrectly memorialized the event times

in its order records and failed to memorialize the Routed Order ID and cancellation of the order; and failed to memorialize the route information in its order records. The firm also failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with OATS reporting requirements. In particular, the daily reviews focus only on ensuring that reporting is complete with no rejections or unmatched trades. Similarly, the firm's quarterly reviews failed to ensure that its OATS reports contained the information required by applicable FINRA rules. Although the firm's WSPs include references to OATS reporting generally, they do not include procedures governing the recording of the OATS data. Moreover, the firm's supervisory system was inadequate in that it failed to ensure that the data recorded and submitted to OATS was based on, and compared to, the source documentation that could be readily obtained and used for verification of accuracy. FINRA also found that the firm failed to disclose all material aspects of its relationship with significant execution venues, including a description of any payment for order flow arrangement between the firm and any such execution venue. The firm failed to disclose specific rebates or rebate information that it received for executing orders on the exchanges. The firm's WSPs were not reasonably designed because they failed to specify what the review of its systems for all client activity entails or detail how this review should be conducted. Further, the firm's supervisory system provided no other review to assure that the material aspects of its payment for order flow arrangements were disclosed. ([FINRA Case #2018057166105](#))

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

May 27, 2021 – 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 timely report transactions involving national market system stocks by the close of the FINRA/NASDAQ Trade Reporting Facility (FNTRF) on the trade date. The findings stated that the cause of these reporting violations included isolated system issues and manual reporting delays. The firm has since reported these transactions. The findings also stated that the firm over-reported transactions to the FNTRF. The reason for the over-reporting was that on multiple trade dates the firm erroneously reported transactions that it had already reported. ([FINRA Case #2016049001401](#))

## Individuals Barred

**Francisco William Coronel ([CRD #5001727](#), Ventura, California)**

May 10, 2021 – An AWC was issued in which Coronel was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Coronel consented to the sanction and to the entry of findings that he refused to provide documents and information requested by FINRA after his member firm filed a Uniform Termination Notice for Securities Industry Registration (Form U5) stating that his insurance appointment was terminated for issues related to the processing of property and casualty insurance premium payments. ([FINRA Case #2021070234801](#))



**John Edgar Simmons Jr. ([CRD #4878890](#), Gulf Breeze, Florida)**

May 10, 2021 – An AWC was issued in which Simmons was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Simmons consented to the sanction and to the entry of findings that he refused to produce information and documents requested by FINRA in connection with an investigation into the allegations contained in a Form U5 amendment filed by his former member firm. The findings stated that the Form U5 disclosed an internal review into Simmons involvement in a private securities transaction without notice to, or approval by, the firm. ([FINRA Case #2020068525301](#))

**Candido Jose Viyella ([CRD #1829255](#), Miami Beach, Florida)**

May 10, 2021 – An AWC was issued in which Viyella was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Viyella 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 into whether he participated in private securities transactions without providing prior written notice to his member firm. ([FINRA Case #2019064630801](#))

**William Herman Dixon ([CRD #68881](#), Urbana, Ohio)**

May 11, 2021 – An AWC was issued in which Dixon was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Dixon consented to the sanction and to the entry of findings that he refused to produce documents requested by FINRA in connection with a Form U5 filed by his member firm reporting the termination of his association with it as a result of his violation of its policies and procedures regarding the use of non-genuine client signatures. ([FINRA Case #2019064188001](#))

**Eric John Vici ([CRD #6114866](#), Dunnellon, Florida)**

May 14, 2021 – An AWC was issued in which Vici was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Vici consented to the sanction and to the entry of findings that he refused to provide on-the-record testimony requested by FINRA in connection with a complaint made by the executor of a customer's estate about Vici's handling of the customer's funds. ([FINRA Case #2021069176201](#))

**Chander Ketu Goel ([CRD #4588999](#), East Rockaway, New York)**

May 18, 2021 – An AWC was issued in which Goel was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Goel consented to the sanction and to the entry of findings that he failed to provide documents and information requested by FINRA during the course of an investigation. The findings stated that Goel's member firm submitted a Form U5 in which it discharged him in connection with inappropriate traditional insurance sales practices. The firm had commenced an investigation of allegations concerning his disclosure of OBAs and his insurance sales practices. ([FINRA Case #2019064407601](#))



**William Edwards Ellis ([CRD #6770635](#), Midlothian, Texas)**

May 25, 2021 – An AWC was issued in which Ellis was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Ellis consented to the sanction and to the entry of findings that he refused to appear for and provide on-the-record testimony requested by FINRA in connection with its investigation into allegations that he purchased call options for an airline's stock in his personal brokerage account for his friend and customer of his member firm, a pilot for the airline. The findings stated that Ellis purchased the call options using funds supplied by his friend, combined with his own personal funds, after the friend heard that the airline's upcoming earnings announcement would be higher than expected. ([FINRA Case #2020065914202](#))

**Kimberly Ann Springsteen-Abbott ([CRD #1367633](#), Holiday, Florida)**

May 27, 2021 – A U.S. Court of Appeals for the District of Columbia Circuit opinion became final in which Springsteen-Abbott was barred from association with any FINRA member in all capacities and ordered to pay disgorgement in the amount of \$36,225.85, plus prejudgment interest. In light of the bar and disgorgement, a fine was set aside. The court dismissed in part and denied in part Springsteen-Abbott's petition for review. As such, the findings and sanctions imposed by the Securities and Exchange Commission (SEC) are upheld. The sanctions were based on findings that Springsteen-Abbott mismanaged her member firm and investment funds she sponsored and controlled through the firm as its owner. The findings stated that in earlier proceedings, the SEC sustained the National Adjudicatory Counsel's (NAC) findings that Springsteen-Abbott unjustifiably enriched herself by misallocating personal expenses, control person expenses and expenses of other businesses to the firm funds. ([FINRA Case #2011025675501](#))

**Kevin Kimball Meadows ([CRD #2878889](#), Columbus, Georgia)**

May 28, 2021 – An AWC was issued in which Meadows was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Meadows consented to the sanction and to the entry of findings that he failed to provide information and documents and to appear for on-the-record testimony requested by FINRA. The findings stated that Meadows' former member firm filed an amended Form U5 disclosing a customer complaint made against him. ([FINRA Case #2020067652701](#))

**Jeffrey Warren ([CRD #2707969](#), Coral Springs, Florida)**

May 28, 2021 – An AWC was issued in which Warren was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Warren 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 a gift that he received from a former customer of his member firm. The findings stated that this matter arose out of a complaint from a beneficiary of the deceased customer regarding the gift the customer provided to Warren prior to the customer's death. ([FINRA Case #2021070775901](#))

## Individuals Suspended

### **Lance Damion Lienart (CRD #2623132, Palm Desert, California)**

May 10, 2021 – An AWC was issued in which Lienart 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, Lienart consented to the sanctions and to the entry of findings that he submitted for reimbursement expense reports for approximately \$1,600 in expenses incurred during business meals, in which he inaccurately states that certain clients had attended the meals. The findings stated that Lienart incurred actual expenses during business meals with customers. However, Lienart submitted expense reports and received reimbursement for multiple meals in which he inaccurately stated that particular customers attended, even though they were not present.

The suspension is in effect from May 17, 2021, through July 16, 2021. ([FINRA Case #2019063752801](#))

### **Hung Sam (CRD #6065447, Santa Ana, California)**

May 10, 2021 – An AWC was issued in which Sam was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Sam consented to the sanctions and to the entry of findings that he borrowed \$230,000 from a customer of his member firm to finance a real estate purchase without the firm's knowledge or prior written authorization and in violation of its written procedures. The findings stated that Sam and the customer were not related, and Sam did not seek firm approval before obtaining the loan. The terms of the loan require Sam to make monthly interest payments for one year, after which time he is required to repay the entire principal amount. To date, Sam has made all required payments.

The suspension is in effect from June 7, 2021, through August 6, 2021. ([FINRA Case #2020068815701](#))

### **Jue-Hua Rae Yau (CRD #5664387, Happy Valley, Oregon)**

May 10, 2021 – An AWC was issued in which Yau was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Yau consented to the sanctions and to the entry of findings that she prepared tax returns for a customer in exchange for compensation without providing prior written notice to her member firm. The findings stated that when the firm commenced interviews with Yau about this conduct, she falsely told it that she had not prepared tax returns for any firm customer. However, Yau subsequently acknowledged to the firm that she had engaged in the activity.

The suspension was in effect from June 7, 2021, through July 6, 2021. ([FINRA Case #2020066794901](#))

**Jason Howell Poff ([CRD #4078570](#), Houston, Texas)**

May 13, 2021 – An Order Accepting Offer of Settlement was issued in which Poff was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the allegations, Poff consented to the sanctions and to the entry of findings that he engaged in undisclosed and unapproved OBAs through a company that he owned and operated. The findings stated that Poff disclosed the company to his member firm seeking approval from it to engage in vending machine consulting through the company. Upon review of the company and proposed OBA, the firm denied approval. Nevertheless, Poff, through the company, served as a loan officer with the expectation of compensation for an entity that was operated by individuals whom the SEC had previously charged with fraud. Subsequently, Poff performed work with the expectation of compensation through the company for an individual who was establishing a family investment office. Poff signed and had notarized an independent contractor/consultant agreement that stated that through the company, he would be paid \$50,000 per month to provide professional services in the area of senior vice president as directed, needed and required. Again, Poff did not make any additional disclosures to, or receive approval from, the firm. The findings also stated that Poff falsely attested to the firm on annual compliance questionnaires that he had disclosed all OBAs to it and that he was not engaging in any activity for OBAs that were not approved, including the company.

The suspension is in effect from June 7, 2021, through September 6, 2021. ([FINRA Case #2018058501502](#))

**Mark William Just ([CRD #1138738](#), Indianapolis, Indiana)**

May 18, 2021 – An AWC was issued in which Just was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Just consented to the sanctions and to the entry of findings that he willfully failed to timely amend his Form U4 to disclose state tax liens. The findings stated that Just knew of the tax liens more than 30 days prior to the time he disclosed them on his Form U4.

The suspension is in effect from June 21, 2021, through September 20, 2021. ([FINRA Case #2019064242701](#))

**Levi William Johnson ([CRD #1539986](#), Carefree, Arizona)**

May 19, 2021– An AWC was issued in which Johnson was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for five months. Without admitting or denying the findings, Johnson consented to the sanctions and to the entry of findings that he borrowed approximately \$200,000 from one of his brokerage customers, a family member, without providing required notice to his member firm. The findings stated that after the customer complained, Johnson fully repaid the loans. The findings also stated that Johnson made false statements to the firm that

the loans and another transfer were gifts and, in one instance, made a false statement regarding the purpose of a withdrawal from the customer's account. Subsequently, the firm issued a letter of reprimand to Johnson and imposed a 30-day suspension and \$5,000 fine for not accurately reporting receipt of loans from a family, as required by firm policy.

The suspension is in effect from June 21, 2021, through November 20, 2021. ([FINRA Case #2018060596601](#))

**David Daniel Lopez (CRD #2667397, St. Petersburg, Florida)**

May 19, 2021 – An AWC was issued in which Lopez was suspended from association with any FINRA member in any principal capacity for 12 months. In light of Lopez' financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Lopez consented to the sanction and to the entry of findings that he failed to establish and maintain a supervisory system and failed to establish, maintain and enforce WSPs reasonably designed to achieve compliance with Rule 15c3-5 under the Securities Exchange Act of 1934 (the Market Access Rule). The findings stated that Lopez failed to establish, document and maintain a system of risk management controls and WSPs related to the firm's capital thresholds that were applied on an automated, pre-trade basis before orders were routed to an exchange or alternative trading system, which are requirements of the Market Access Rule. Neither the firm's WSPs, nor the firm's Trading and Market Making Procedure Manual, contained any mention of the required controls or procedures related to the firm's capital thresholds to be applied on an automated, pre-trade basis. Lopez's failure to establish, document and maintain the risk management controls and WSPs related to the Market Access Rule jeopardized the firm's financial condition, that of other market participants and the integrity of trading on the securities market. The findings also stated that Lopez failed to supervise a former trader. Lopez was the designated principal for supervising trading and ensuring compliance with the Market Access Rule and he had the ability to modify or restrict the trader's market access in accordance with the WSPs. Although Lopez was aware that the trader previously exceeded the allowable trading limits through trading in the firm's proprietary account, Lopez never modified or restricted the trader's market access. The trader executed a series of transactions in the firm's proprietary account that resulted in short positions in a stock that exceeded trading limits set forth in the firm's WSPs. Lopez became aware of the short positions in the stock but failed to modify or restrict the trader's market access until close to the end of the trading day. By the time the firm was able to cover the short positions, the firm suffered a loss of approximately \$16.6 million.

The suspension is in effect from June 7, 2021, through June 6, 2022. ([FINRA Case #2019060701001](#))

**Carl George Antaki ([CRD #4177543](#), Massapequa, New York)**

May 20, 2021 – An AWC was issued in which Antaki was fined \$5,000, ordered to pay \$22,865, plus interest, in restitution to a customer and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Antaki consented to the sanctions and to the entry of findings that he excessively and unsuitably traded a customer's account. The findings stated that Antaki recommended that the customer place frequent trades in his account and the customer relied on his advice and accepted his recommendations. Although the account had an average monthly equity value of approximately \$55,000, Antaki recommended and executed trades in the customer's account with a total principal value of more than \$1 million. Antaki's recommendations caused the customer to pay \$22,865 in commissions and other trading costs, which resulted in an annualized cost-to-equity ratio of more than 30 percent, meaning that the customer's account would have had to grow by more than 30 percent annually just to break even.

The suspension is in effect from June 21, 2021, through September 20, 2021. ([FINRA Case #2019063601401](#))

**Elvis Beslagic ([CRD #5565302](#), Frisco, Texas)**

May 27, 2021 – An AWC was issued in which Beslagic was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 12 months. Without admitting or denying the findings, Beslagic consented to the sanctions and to the entry of findings that he posed as a customer of his member firm to conceal his access to, and trading in, the customer's self-directed account. The findings stated that Beslagic agreed to help the customer generate a quick return by executing an options trading strategy in the customer's self-directed firm account. Because Beslagic was prohibited from accessing or placing trades in customer accounts, the customer provided Beslagic with his account login credentials. Beslagic used his personal cell phone and the customer's login credentials to access the account and execute trades. Beslagic concealed his trading from the firm by posing as the customer and coordinating the trades by text messages from his personal cell phone. The findings also stated that Beslagic caused the firm to maintain incomplete business-related communications by not informing it or providing it copies of the text messages. Beslagic also falsely certified in his annual compliance questionnaire that he had not placed trades in any unauthorized accounts and that he had complied with the firm's text message policy.

The suspension is in effect from June 7, 2021, through June 6, 2022. ([FINRA Case #2019063798401](#))

## Decision Issued

The Office of Hearing Officers (OHO) issued the following decision, which has been appealed to or called for review by the NAC as of May 31, 2021. The NAC may increase, decrease, modify or reverse the findings and sanctions imposed in the decision. Initial decisions where the time for appeal has not yet expired will be reported in future FINRA Disciplinary and Other Actions.

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

May 24, 2021 – Felix appealed an OHO decision to the NAC. Felix was barred from association with any FINRA member in all capacities. The sanction was based on findings that Felix failed to provide documents and information requested by FINRA during a routine examination of his member firm, for which he served as CEO, chief financial officer and FINOP. The findings stated that among the documents sought were the general ledger and annual audit, basic documents integral to FINRA's examination as well as determining whether Felix and the firm had continued to make and preserve inaccurate books and records. ([FINRA Case #2020065128501](#))

## Complaints Filed

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

### **Jason Lynn DiPaola ([CRD #2648836](#), Babylon, New York)**

May 3, 2021 – DiPaola was named a respondent in a FINRA complaint alleging that he failed to disclose his mother's securities account at another broker-dealer to his member firm and failed to inform the other broker-dealer that he was exercising discretion and control over the trading in this account while he was an associated person of his firm. The complaint alleges that DiPaola actively traded his mother's account and repeatedly exercised discretion in her account. The complaint also alleges that DiPaola submitted false and misleading employee compliance questionnaire and certification forms to his firm. In these false and misleading forms, DiPaola failed to disclose the existence of his mother's account at the other broker-dealer when he was asked to identify all securities accounts which he controlled. The complaint further alleges that DiPaola failed to appear for and provide on-the-record testimony requested by FINRA which impeded its investigation and deprived it of material information in DiPaola's possession. ([FINRA Case #2018057274302](#))

**Adam Gerard Belardino ([CRD #5221927](#), Scarsdale, New York)**

May 12, 2021 – Belardino was named a respondent in a FINRA complaint alleging that he failed to appear for on-the-record testimony requested by FINRA while it was investigating the circumstances of his termination from his member firm. The complaint alleges that the firm filed a Form U5 disclosing that it discharged Belardino in connection with an investigation into a customer complaint that alleged that he misrepresented the customers' account values, engaged in excessive levels of trading and failed to comply with requests to have their accounts liquidated and the proceeds distributed. Following the initial Form U5, the firm filed multiple amendments that disclosed new complaints from customers including one alleging that real estate investment trusts that were sold to him by Belardino were unsuitable for the customer's conservative portfolio. ([FINRA Case #2019062347102](#))

**NYPPEX, LLC ([CRD #47654](#), Bethesda, Maryland), Laurence Geoffrey Allen ([CRD #1063970](#), Greenwich, Connecticut) and Michael Joseph Schunk ([CRD #732595](#), Bridgeport, Connecticut)**

May 27, 2021 – The firm, Allen and Schunk were named respondents in a FINRA complaint alleging that while statutorily disqualified, Allen continued to associate with the firm and the firm and Schunk, the firm's CCO, allowed Allen to continue to associate with it until over a year later when the firm filed a Membership Continuance Application (MC-400) application seeking FINRA's approval for Allen's continued association. The complaint alleges that the Office of the New York Attorney General secured an order from the Supreme Court of the State of New York preliminarily enjoining and restraining Allen and the firm's parent company for, among other things, engaging in securities fraud, violating New York's securities laws and converting or otherwise disposing of or transferring funds from a private equity fund controlled by Allen. The order was a disqualifying event for Allen who, at all relevant times, has been the CEO of the firm. The complaint also alleges that when the order cut off the parent company and Allen from a ready source of cash, namely, investor funds in the private equity fund, Allen quickly shifted his efforts to finding funds elsewhere. Undeterred by the New York Attorney General's investigation and the preliminary injunctions entered against himself and the parent company, Allen devised and orchestrated an aggressive sales campaign to raise \$10 million through the sale of securities in the parent company. While soliciting these investments, the firm and Allen intentionally or recklessly made a series of material misrepresentations and omissions of material fact to prospective investors concerning, among other things, the valuation of the parent company, its financial condition and its management team. The firm and Allen also failed to disclose to prospective investors the ongoing investigation into Allen's and the parent company's alleged fraudulent activity and the order that preliminarily enjoined both of them. The complaint further alleges that the statements made by the firm and Allen in connection with their solicitation efforts for the parent company were also not in compliance with the standards for communications set forth in FINRA Rule 2210. These communications were not fair and balanced, omitted material facts, contained



false or misleading statements and failed to disclose the risks and potential benefits in a balanced way. In addition, the complaint alleges that the firm and Allen made false or misleading statements on the firm's website about a FINRA examination of the firm. The website statements included assertions that the New York Attorney General's allegations were in conflict with facts concluded by FINRA and that it had found no violations during its examination. In fact, FINRA's examination had resulted in an informal disciplinary action based on findings that the firm had violated multiple FINRA rules and provisions of the Securities Exchange Act of 1934. Moreover, nothing about FINRA's exam findings conflicted with the New York Attorney General's allegations. The website also contained statements about Allen's and others' so-called exemplary regulatory compliance that were false or at least exaggerated, and which impermissibly implied FINRA's endorsement. Moreover, the complaint alleges that Allen made similar false or misleading statements about FINRA's examination of the firm in an affidavit, which he caused to be filed in New York state court. Allen later submitted the same false or misleading affidavit to FINRA as part of a belated request to continue his association with the firm, despite his statutory disqualification. Furthermore, the complaint alleges that the firm and Schunk—who at all relevant times was directly responsible for supervising Allen's activities—failed to reasonably supervise Allen. From the time the order was issued, Schunk knew that the New York Attorney General had alleged that Allen had engaged in widespread securities fraud and misappropriation of investor funds, and yet he failed to take reasonable steps to ensure that Allen's and the firm's statements to firm customers, prospective investors, the public, the New York state court and FINRA complied with the federal securities laws and FINRA's rules. The complaint alleges that the firm, Allen and Schunk provided false or misleading information to FINRA about the statements posted on the firm's website. The complaint also alleges that the firm and Allen failed to respond, or failed to timely and completely respond, to FINRA's requests for information and documents, including requests for bank statements, which would have shown whether any investors bought shares of the parent company following the firm's and Allen's fraudulent solicitations. ([FINRA Case #2019064813801](#))

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**Decision Dismissed**

OHO issued the following decision, which was appealed to the NAC. The findings made by the Hearing Panel were not affirmed, and the NAC has subsequently ordered that the decision be dismissed.

**William James Potter (CRD #1281826)**  
Glen Ridge, New Jersey  
(May 27, 2021)  
FINRA Case #2017052871401

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

**Stratford Securities, LLC dba Stratford Partners (CRD #164954)**  
New York, New York  
(May 14, 2021)

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**Firm Cancelled for Failure to Meet Eligibility or Qualification Standards Pursuant to FINRA Rule 9555**

**Hamerslag Sulzberger Borg Capital Markets, Inc. (CRD #103460)**  
New York, New York  
(May 7, 2021)  
FINRA Case #20190642074

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**Firms 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.)

**Lam Securities Investments, Inc. (CRD #17037)**  
San Francisco, California  
(May 10, 2021)

**Mercury Securities, LLC (CRD #40368)**  
Novato, California  
(March 8, 2021 – May 21, 2021)

**Mercury Securities, LLC (CRD #40368)**  
Novato, California  
(March 15, 2021 – May 21, 2021)

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**Firm Suspended for Failure to Pay FINRA Dues, Fees and Other Charges Pursuant to FINRA Rule 9553**

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

**SeriesOne, LLC (Funding Portal Org ID #285012)**  
Miami, Florida  
(May 19, 2021)

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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.)

**Trent Charles Drake (CRD #4724917)**  
Urbandale, Iowa  
(May 3, 2021)  
FINRA Case #2020065733201

**Adam S. Feierstein (CRD #6033082)**  
Redondo Beach, California  
(May 5, 2021)  
FINRA Case #2020068495301

**Eileen Mary Kenny (CRD #6722919)**  
West Chester, Pennsylvania  
(May 6, 2021)  
FINRA Case #2020067985101

**Norma Jean Kuklis (CRD #6110346)**  
Pittsburgh, Pennsylvania  
(May 11, 2021)  
FINRA Case #2020067677201

**William Eric Kursim (CRD #4149322)**  
Amelia, Ohio  
(May 6, 2021)  
FINRA Case #2020068657501

**Joseph Scott Switzer Sr. (CRD #6554362)**  
Foster, Kentucky  
(May 28, 2021)  
FINRA Case #2020067568701

**Tim Craig Viohl (CRD #2148406)**  
Dubuque, Iowa  
(May 5, 2021)  
FINRA Case #2020067304101

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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.)

**John Kevin Barrett (CRD #4748518)**  
Los Angeles, California  
(May 17, 2021)  
FINRA Case #2020066078201

**Michael L. Bramlett (CRD #6191112)**  
Carterville, Illinois  
(May 17, 2021)  
FINRA Case #2020068001701

**Christopher J. Fisher (CRD #6422492)**  
Castle Rock, Colorado  
(May 10, 2021)  
FINRA Case #2019064190702

**Berhane Kassahun (CRD #1544625)**  
Silver Spring, Maryland  
(May 6, 2021)  
FINRA Case #2020066871501

**Charles A. Lopez (CRD #4335932)**  
Key Biscayne, Florida  
(May 3, 2021)  
FINRA Case #2020068229101

**Kajie McMullen (CRD #7052045)**  
Chicago, Illinois  
(May 10, 2021)  
FINRA Case #2020068502201

**Christy Ann McWilliams (CRD #6843962)**  
Okemos, Michigan  
(May 6, 2021)  
FINRA Case #2021069239601

**Kevin Mark Nevin (CRD #2460059)**  
 Minneapolis, Minnesota  
 (May 21, 2021)  
 FINRA Case #2020066224901

**Antoine Marquil Rogers (CRD #6356498)**  
 Tomball, Texas  
 (May 3, 2021)  
 FINRA Case #2020067589001

**Alfredo K. Vazquez (CRD #5733066)**  
 San Antonio, Texas  
 (May 3, 2021)  
 FINRA Case #2021069409601

**David Villarreal III (CRD #5876265)**  
 Inkom, Idaho  
 (May 21, 2021)  
 FINRA Case #2020065505301

**Jonathan Charles Ward (CRD #6398853)**  
 Vassar, Michigan  
 (May 3, 2021)  
 FINRA Case #2020067810501

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**Individual Suspended for Failure to Pay  
 FINRA Dues, Fees and Other Charges  
 Pursuant to FINRA Rule 9553**

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

**Geoffrey Garratt (CRD #5170365)**  
 Brooklyn, New York  
 (May 26, 2021)  
 FINRA Arbitration Case #18-03771

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**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 Arthur Allen (CRD #2500427)**  
 Bethel, Vermont  
 (October 23, 2018 – May 17, 2021)  
 FINRA Arbitration Case #15-02744

**Jameile D. Cawley (CRD #2991243)**  
 Hull, Massachusetts  
 (May 6, 2021)  
 FINRA Arbitration Case #20-03415

**Bradley Everett Gardner (CRD #4423724)**  
 Fort Bragg, California  
 (May 25, 2021)  
 FINRA Arbitration Case #20-02913

**Brian O'Neill (CRD #5825060)**  
 Fredericksburg, Virginia  
 (May 6, 2021)  
 FINRA Arbitration Case #20-03666