

Disciplinary and Other FINRA Actions

Firms Fined, Individuals Sanctioned

FSC Securities Corporation ([CRD #7461](#), Atlanta, Georgia), Royal Alliance Associates, Inc. ([CRD #23131](#), Jersey City, New Jersey), SagePoint Financial, Inc. ([CRD #133763](#), Phoenix, Arizona), Woodbury Financial Services, Inc. ([CRD #421](#), Oakdale, Minnesota) and Inger Wilson Fields ([CRD #1690043](#), Powder Springs, Georgia).

May 3, 2017 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which FSC Securities Corporation (FSC) was censured and fined \$150,000. Royal Alliance Associates, Inc. (Royal Alliance) was censured and fined \$260,000. SagePoint Financial, Inc. (SagePoint) was censured and fined \$75,000. Woodbury Financial Services, Inc. (Woodbury) was censured and fined \$65,000. Fields was fined \$5,000 and suspended from association with any FINRA member in a Financial and Operations Principal (FINOP) capacity for one month.

Without admitting or denying the findings, the firms and Fields consented to the sanctions and to the entry of findings that each of the firms applied an inaccurate accounting and net capital treatment of investment advisory fees while Fields was acting as the firms' FINOP. The findings stated that FSC, Royal Alliance, and SagePoint failed to compute their net capital and excess net capital accurately and, as a result, conducted a general securities business without having the required net capital. The findings also stated that all four firms failed to prepare and maintain accurate financial records, including general ledgers, balance sheets and trial balances, and net capital computations. In addition, each firm also filed inaccurate monthly Financial and Operational Combined Uniform Single Report (FOCUS) reports. Subsequent adjustments to correct the net capital computations resulted in hindsight net capital deficiencies for FSC, Royal Alliance and SagePoint, and books and records violations and financial reporting inaccuracies for the firms. During her tenure as the firms' FINOP, Fields supervised the preparation of and had overall responsibility for the accuracy of the firms' financial records, including general ledgers, balance sheets and trial balances; net capital computations; and the filing of FOCUS reports.

The suspension was in effect from June 5, 2017, through July 4, 2017. ([FINRA Case #2016049751001](#))

Reported for July 2017

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

Contents

Firms Fined, Individuals Sanctioned	1
Firms Fined	2
Firms Sanctioned	14
Individuals Barred	16
Individuals Suspended	20
Individual Fined	31
Decision Issued	32
Complaints Filed	32

Firms Fined

Summit Equities, Inc. ([CRD #11039](#), Parsippany, New Jersey)

May 1, 2017 – An AWC was issued in which the firm was censured and fined \$325,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to reasonably supervise its registered representatives' recommendations of multi-share class variable annuities to customers, and failed to establish, maintain, and enforce a reasonable supervisory system and written supervisory procedures (WSPs) related to the sale of multi-share-class variable annuities. The findings stated that despite the significant role that variable annuity sales played in the firm's overall business, it failed to implement a supervisory system and procedures designed to reasonably ensure the suitability of its multi-share-class variable annuity sales, including its sales of L-share contracts. The firm sold variable annuity contracts with the option of various different share classes. The firm's WSPs and training materials failed to provide registered representatives and principals guidance or suitability considerations for sales of different variable annuity share classes.

The firm also failed to provide training to its registered representatives and principals on the sale and supervision of multi-share-class variable annuities. The firm did not provide training or guidance to registered representatives on the features of various share classes and the associated fees and surrender charges, and did not provide them with adequate information to compare share classes to make suitability determinations. In addition, the firm failed to establish, maintain, and enforce WSPs or provide sufficient guidance or training to registered representatives and principals regarding the sale of long-term income riders with multi-share-class variable annuities.

The findings also stated that the firm failed to reasonably supervise a registered representative's private securities transactions. The firm allowed the registered representative to form a separate broker-dealer to sell the securities of a hedge fund he controlled. The firm failed to adequately supervise the registered representative's activities through the broker-dealer, despite placing restrictions on his association with the broker-dealer, and failed to ensure that he complied with the firm's restrictions. After a number of years, the firm stopped examining the broker-dealer's books and records, and the firm never reviewed the registered representative's broker-dealer emails or conducted an on-site visit of the broker-dealer's office. In addition, the firm failed to detect several "red flags" that should have alerted it to the registered representative's activity with the hedge fund. For example, in May and July 2011, five of the registered representative's customers requested \$2.5 million in wire transfers from their accounts to fund their investments in the hedge fund. The firm approved two of the wire transfers, but never questioned the registered representative about these transactions. ([FINRA Case #2015043159201](#))

RBC Capital Markets, LLC ([CRD #31194](#), New York, New York)

May 3, 2017 – An AWC was issued in which the firm was censured, fined \$225,000, required to revise its WSPs concerning transmitting accurate information to the Order Audit Trail System (OATS), and must offer rescission to the customers who executed the transactions at either the original purchase price or the current fair market value, whichever is higher. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it transmitted reports to OATS in which the special handling code field was not populated to indicate whether the orders were “held” or “not held.” The findings stated that the firm’s supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and FINRA rules, concerning transmitting accurate information to OATS. Specifically, the firm’s supervisory system did not include WSPs providing for a review of the firm’s OATS reports that was representative of the types of business in which the firm engaged to ensure its submissions were accurate.

The findings also stated that the firm failed to report transactions to the Trade Reporting and Compliance Engine (TRACE) in TRACE-eligible corporate debt securities that it was required to report. In these instances, the firm reported block transactions that were to be allocated to separate managed accounts as a single block instead of reporting the allocations as individual transactions, as required. The findings also included that the firm effected customer transactions in a municipal security in an amount lower than the minimum denomination of the issue, which were not subject to an exception under Municipal Securities Rulemaking Board (MSRB) Rule G-15(f).

FINRA found that the firm also failed to disclose all material facts concerning municipal securities transactions at or prior to the time of trade. Specifically, the firm failed to inform its customer that the municipal securities transaction was in an amount below the minimum denomination of the issue. FINRA also found that the firm failed to report information regarding purchase and sale transactions effected in municipal securities to the Real-Time Transaction Reporting System (RTRS). For some of these instances, the firm reported block transactions that were to be allocated to separate managed accounts as a single block instead of reporting the allocations as individual transactions, as required. ([FINRA Case #2015046469501](#))

Trump Securities, LLC ([CRD #47107](#), New York, New York)

May 3, 2017 – An AWC was issued in which the firm was censured, fined \$45,000, and required to review its WSPs and to revise them as appropriate to ensure the establishment and implementation of reasonable supervisory procedures for the review and monitoring of employee trading with a view toward ensuring compliance with applicable securities laws and regulations and FINRA rules. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to ensure that it reasonably complied with the requirements related to the inspection of non-branch office

locations. The findings stated that the firm had registered representatives working at non-branch locations throughout the United States; however, it failed to conduct or schedule any inspections of its non-branch locations.

The findings also stated that the firm's principal business involved assisting small companies with capital raises and providing corporate financial advice. The firm allowed its brokers to maintain outside personal brokerage accounts, and it collected and reviewed duplicate copies of those account statements. However, the firm did not establish and maintain a supervisory system and written procedures through which the firm could reasonably determine whether its brokers' personal trading complied with securities laws and rules. The firm did not require brokers to request and receive prior approval for personal trades in securities related to the companies for which they conducted the firm's work, and did not maintain watch lists or restricted lists to assist supervisors in their evaluation of employee's trading.

The findings also included that the firm failed to adequately implement its customer identification program with respect to individuals and entities who invested in a private placement through the firm. The firm solicited the investors, provided them with offering documents that prominently mentioned the firm's name as placement agent, and facilitated the investors' payments to the issuer. As such, the investors had a formal relationship with the firm to effect transactions in securities and, therefore, compliance with the customer identification program rule was required. ([FINRA Case #2013035264401](#))

E*TRADE Securities LLC ([CRD #29106](#), New York, New York)

May 9, 2017 – An AWC was issued in which the firm was censured and fined \$40,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it transmitted reportable order events (ROEs) to OATS that were directed orders, but failed to include the correct special handling code. The findings stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and FINRA rules, concerning timely and accurate OATS reporting. ([FINRA Case #2015044225801](#))

IBN Financial Services, Inc. ([CRD #42360](#), Liverpool, New York)

May 10, 2017 – An AWC was issued in which the firm was censured and fined \$15,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that on several occasions, it conducted a securities business while failing to maintain its required minimum net capital. The findings stated that the deficiency was the result of the firm's failure to accrue for a civil settlement and certain legal fees and expenses. In addition, the firm conducted a securities business on five separate dates in 2016, while it had a net capital deficiency that ranged from \$1,277 to \$3,108, which resulted from the firm's failure to timely accrue for commission expenses. ([FINRA Case #2016049862001](#))

Mariva Capital Markets, LLC ([CRD #156171](#), Miami, Florida)

May 15, 2017 – 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 tailor its anti-money laundering (AML) compliance procedures (AMLCP) to a customer that represented a significant portion of the firm’s revenue and engaged in high-risk activity. The findings stated that the customer was a bank affiliate of the firm, and also a foreign financial institution (FFI). The firm’s existing AMLCP contained only generally applicable provisions and set forth general AML red flags for monitoring purposes. This customer and its trading triggered several AML red flags, including, but not limited to inflows of funds or other assets well beyond the known income or resources of the affiliate, and the customer had common ownership with an affiliate that had negative news associated with it in connection with the liquidation of foreign bonds—similar to activity in which the customer engaged. The \$1 billion dollar volume of the trading activity in the affiliate’s account far exceeded the affiliate’s net assets during the relevant time period. The firm’s AML program was not tailored to the risks associated with the affiliate’s account activity and was not designed to detect potentially suspicious activity in the affiliate’s account.

The findings also stated that the firm failed to establish and implement procedures that were reasonably designed to achieve compliance with the implementing regulations requiring due diligence for FFI correspondent accounts. Specifically, the firm failed to conduct adequate due diligence on the affiliate’s account. The firm did not adequately assess and document, at account opening or thereafter, the money-laundering risks posed by the account, and failed to perform and document periodic reviews of activity to determine consistency with information obtained about the type, purpose and anticipated activity of the account. The firm relied primarily on the verbal representations from the affiliate about the intended purposes and trading in the account without independently verifying the representations. The firm did not adequately conduct and document due diligence to assess whether the account was trading only the affiliate’s proprietary assets or for the benefit of undisclosed underlying customers, understand the type of anticipated bond activity (including the source of the bonds (e.g., whether the bonds were obtained through a regulated government program or by other means), or learn the purpose of the anticipated bond activity (such as for currency conversion). Moreover, the firm did not perform periodic reviews to determine whether the affiliate’s account activity was consistent with its expected activity. Further, the firm also failed to conduct enhanced due diligence on the affiliate. ([FINRA Case #2015043415301](#))

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

May 15, 2017 – An AWC was issued in which the firm was censured, fined \$110,000, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to accurately record the order receipt time by its financial advisors for manually handled non-convertible preferred

orders, failed to accurately record the order receipt time at its taxable fixed income desk for manually handled non-convertible preferred orders, failed to accurately record the execution time for manually handled non-convertible preferred orders, and failed to accurately report to OATS the order receipt time by financial advisors. The findings stated that the firm failed to report the accurate execution time to either the FINRA/Nasdaq Trade Reporting Facility (FNTRF) or the Over-the-Counter (OTC) Reporting Facility (OTCRF) for manually handled non-convertible preferred trades, and failed to report manually handled non-convertible preferred transactions to the FNTRF within 30 or 10 seconds of execution. The findings also stated that the firm failed to provide best execution with respect to transactions executed in OTC securities with customers or customers of another broker-dealer, by failing to use reasonable diligence to ascertain the best market for the subject security, and by failing to buy or sell in such market so that the resultant prices to the customers were as favorable as possible under prevailing market conditions. The findings also included that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to applicable securities laws and regulations, and/or FINRA rules related to recordkeeping, OATS reporting, and trade reporting.

FINRA found that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and FINRA rules, concerning FINRA Rule 5310. Specifically, the firm's supervisory system did not include WSPs that identified the person(s) responsible for supervision and the supervisory system was not reasonably designed to ensure compliance with Rule 5310 with respect to the execution of new issue non-convertible preferred OTC securities. ([FINRA Case #2014042190801](#))

UBS Securities LLC (CRD #7654, New York, New York)

May 15, 2017 – An AWC was issued in which the firm was censured and fined \$50,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to accurately record the order receipt time at its taxable fixed income desk and the execution time for manually handled non-convertible preferred customer orders. The findings stated that the firm failed to accurately report the order receipt time at the taxable fixed income desk and the execution time for manually handled non-convertible preferred orders to OATS. The findings also stated that the firm failed to report the accurate execution time to either the FNTRF or OTCRF for manually handled non-convertible preferred trades, and failed to report manually handled non-convertible preferred transactions to the TRF within 30 seconds of execution. The findings also included that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to applicable securities laws and regulations, and/or FINRA rules related to recordkeeping, OATS reporting, and trade reporting. ([FINRA Case #2014042190802](#))

Merrill Lynch, Pierce, Fenner & Smith Incorporated (CRD #7691, New York, New York)

May 16, 2017 – An AWC was issued in which the firm was censured; fined \$650,000; ordered to pay \$124,128.30, plus interest, in restitution to customers; and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that in non-convertible preferred securities transactions for or with a customer, the firm failed to use reasonable diligence to ascertain the best inter-dealer market, and failed to buy or sell in such market so that the resultant price to its customer was as favorable as possible under prevailing market conditions. The findings stated that in 19 instances, the firm recorded an inaccurate order execution time on its books and records, submitted a trade report to the FNTRF that contained an inaccurate execution time, and submitted to the TRF a trade report that reflected the firm's mark-up or mark-down in the reported unit price. Separately, in 1,337 instances, the firm recorded an order receipt time that was inaccurate because it reflected a later time than the execution time reported to the FNTRF.

The findings also stated that the firm issued inaccurate customer confirmations to its customers. The firm failed to disclose the difference between the price reported to the FNTRF and the price to the customer, which represented compensation to the firm, on trade confirmations sent to customers. The price disclosed to the customer did not match the price reported to the FNTRF, but instead included a mark-up or mark-down. The findings also included that in OTC convertible preferred securities transactions for or with a customer, the firm failed to use reasonable diligence to ascertain the best inter-dealer market, and failed to buy or sell in such market so that the resultant price to its customer was as favorable as possible under prevailing market conditions. Customers received an inferior price when there was sufficient displayed liquidity to execute the order in full at the better price, and the better price was displayed during the entire life cycle of the order.

FINRA found that in OTC convertible preferred securities transactions, the firm failed to execute orders. The firm failed to obtain executions for these orders despite the fact that, at the time of order receipt, the OTC marketplace displayed two-sided quotations within the national best bid or offer that could have at least partially satisfied the order. The firm failed to review automated quotations by market makers in OTC convertible preferred securities when it handled customer order flow in these securities. In 7,609 instances, the firm incorrectly marked a "held" market order as "not held." FINRA also found that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to certain applicable securities laws and regulations, and/or FINRA rules. The firm's WSPs failed to provide for the minimum requirements for adequate WSPs for executed transactions on the firm's credit desk regarding equity trade reporting, accuracy of books and records, accuracy of customer confirmations, and for the timely handling of market orders in OTC convertible preferred securities. The firm failed to provide documentary evidence that it performed the supervisory reviews in its WSPs concerning best execution of customer orders in OTC convertible preferred securities, and there were

not any supervisory reviews to ensure that marketable customer orders were executed fully and promptly. The firm was also unable to produce evidence that it performed best execution reviews for OTC convertible preferred securities. ([FINRA Case #2011028842101](#))

The Frazer Lanier Company, Incorporated ([CRD #7089](#), Montgomery, Alabama)

May 22, 2017 – An AWC was issued in which the firm was censured and fined \$55,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report 95 out of 358 new issue transactions to the RTRS. The findings stated that this was in connection with the municipal underwriting review of five new issues wherein the firm was the sole or lead underwriter. The firm failed to report the original executed trade between the firm and the contra party (most trades are with an investment advisor) to the RTRS. The firm only reported the delivery from it to the other broker-dealer, as instructed by the contra party, as a step-out trade. During the same time period, the firm's WSPs with respect to MSRB reporting were inadequate because they did not specifically address how it would ensure that its reporting responsibilities would be met in a timely and accurate manner.

The findings also stated that the firm failed to report all 68 of its non-municipal variable-rate demand obligations transactions to TRACE. Specifically, 52 transactions were related to new issues underwritten by the firm, and 16 transactions were related to remarketed or secondary transactions. The firm was not aware that the transactions were subject to a TRACE reporting requirement. During the same time period, the firm's WSPs with respect to TRACE reporting were inadequate because they were outdated and excluded various rule amendments. The findings also included that the firm made payments to third-party entities where there were one or more individuals affiliated with an issuer with which the firm has also conducted a municipal securities offering. In some instances, the firm participated in municipal securities offerings where the affiliated municipal person may have had direct or indirect influence over the issuer, giving rise to a potential conflict of interest. However, the firm failed to adopt, maintain and enforce WSPs reasonably designed to ensure that neither the firm nor its municipal finance professionals are using payments to third parties, including political parties and non-dealer-controlled political action committees, to contribute indirectly to an official of an issue in order to secure municipal securities business. ([FINRA Case #2016047743601](#))

Fidelity Brokerage Services LLC ([CRD #7784](#), Smithfield, Rhode Island)

May 23, 2017 – An AWC was issued in which the firm was censured, fined \$45,000, required to revise its WSPs, and must offer rescission to the customers who purchased securities at either the original purchase price or the current fair market value, whichever is higher. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it effected 15 customer transactions in a municipal security in an amount lower than the minimum denomination of the issue, which was not subject to an exception under MSRB Rule G-15(f). The findings stated that the firm failed to disclose all material facts concerning 14 municipal securities transactions at or prior to

the time of trade. Specifically, the firm failed to inform its customers that the municipal securities transactions were in amounts below the minimum denomination of the issue. The findings also stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the MSRB rules, concerning municipal securities transactions effected on behalf of a customer below an issue's minimum denominations, as stated on relevant offering statements. ([FINRA Case #2015046581001](#))

Jane Street Capital, LLC ([CRD #103782](#), New York, New York)

May 23, 2017 – An AWC was issued in which the firm was censured, fined \$85,000, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to transmit ROEs to OATS. The findings stated that these ROEs were combined new order/route reports related to orders in national market system securities that the firm routed to a broker-dealer for execution in Canada. The findings also stated that the firm transmitted ROEs to OATS that contained inaccurate, incomplete, or improperly formatted data. Specifically, the ROEs contained an inaccurate destination code. The findings also included that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and FINRA rules, concerning the completeness and accuracy of ROEs submitted to OATS. The firm's WSPs did not identify the person responsible for conducting the supervisory reviews and did not specify the supervisory steps to be taken to ensure that all ROEs are accepted. Moreover, the firm's supervisory system, including its WSPs, did not specify that the firm review ROE rejections, late reports, out-of-sequence events, unmatched executions, unmatched exchange routes, and unmatched inter-firm routes. ([FINRA Case #2015046614501](#))

Jefferies LLC ([CRD #2347](#), New York, New York)

May 23, 2017 – An AWC was issued in which the firm was censured, fined \$195,000, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it transmitted ROEs to OATS that contained inaccurate, incomplete, or improperly formatted data. The findings stated that the ROEs contained inaccurate firm order IDs. The findings also stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and FINRA rules, concerning the accuracy of ROEs submitted to OATS. The firm's supervisory system did not include WSPs for providing for a statement of the supervisory steps to be taken by the identified person to ensure that the firm's order IDs were accurate, and the firm's OATS WSPs required the review of a small number of OATS reports to determine whether order events were properly sequenced. In light of the OATS reporting obligations, the scope of the firm's WSPs was not reasonably designed. The findings also included that as a joint lead manager or sole manager, the firm failed to report new issue offerings in TRACE-eligible agency debt securities to FINRA in accordance with the time requirements set forth in FINRA Rule 6760(c).

FINRA found that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and FINRA rules concerning the timeliness of TRACE new issue reports submitted to FINRA. The firm's supervisory system did not include WSPs for providing for a statement of the supervisory steps to be taken by the identified person to ensure that the firm's TRACE new issue reports were timely submitted, and did not include a statement concerning how frequently the supervisory steps were to be performed. ([FINRA Case #2015045211201](#))

J.H. Darbie & Co., Inc. ([CRD #43520](#), New York, New York)

May 24, 2017 – An AWC was issued in which the firm was censured and fined \$12,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it transmitted reports to OATS that contained inaccurate, incomplete or improperly formatted data. The findings stated that the firm failed to submit all required route reports to OATS for orders, failed to submit the correct order entry time of orders to OATS, and submitted an erroneous cancel report to OATS. For each instance where the firm failed to submit certain route reports to OATS, a software error was determined to be the cause. The findings also stated that the firm's supervisory procedures were not reasonably designed to achieve compliance with respect to the applicable securities laws and regulations and FINRA rules. The firm failed to provide sufficient documentary evidence that it performed the supervisory reviews set forth in its WSPs relating to clock synchronization, the accuracy of OATS submissions, OATS data rejects, and OATS interfirm route matching. ([FINRA Case #2015044150301](#))

StockCross Financial Services Inc. ([CRD #6670](#), Beverly Hills, California)

May 24, 2017 – An AWC was issued in which the firm was censured and fined \$12,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report options positions that traded on the options' expiration to the Large Options Position Reporting (LOPR) system. The findings stated that the firm failed to resubmit rejected records to the LOPR and consequently over-reported options positions to the LOPR. Though the majority of the reporting errors were caused by system issues with the firm's third-party vendor, the firm is responsible for ensuring the proper reporting of positions to the LOPR. ([FINRA Case #2014040160101](#))

Andbanc Brokerage, LLC ([CRD #155979](#), Miami, Florida)

May 25, 2017 – An AWC was issued in which the firm was censured, fined \$22,500, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report transactions in TRACE-eligible corporate debt securities that it was required to report. The findings stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with certain applicable securities laws and regulations, and/or FINRA rules. The firm's WSPs failed to provide for one or more of the minimum requirements for adequate

WSPs for TRACE reporting. The firm's WSPs failed to set forth a review process that included comparison of the firm's TRACE reports with books and records to ensure that its TRACE submissions were complete and accurate. The firm also failed to enforce its WSPs, which specified that responsible supervisors would review TRACE Quality of Markets Report Cards on a monthly basis to determine whether trades were properly reported. ([FINRA Case #2015046459601](#))

Canaccord Genuity Inc. ([CRD #1020](#), New York, New York)

May 25, 2017 – An AWC was issued in which the firm was censured, fined \$75,000, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to transmit ROEs to OATS. The findings stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with FINRA Rule 7450. The firm's WSPs failed to provide for one or more of the minimum requirements for adequate WSPs for OATS reporting. The firm's WSPs did not adequately identify which trading desks' supervisory principals were responsible for OATS reviews, did not provide for steps to review for out-of-sequence events or exchange route matching, and did not provide for steps to review each and every entity reporting ROEs on the firm's behalf. The findings also stated that the firm failed to publish immediately a bid or offer that reflected the price and the full size of customer limit orders for OTC equity securities held by the firm that were at a price that would have improved the firm's bid or offer in such securities. The findings also included that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with FINRA Rule 6460. The firm's WSPs failed to provide for one of the minimum requirements for adequate WSPs relating to compliance with Rule 6460. The firm's procedures did not set forth supervisory steps reasonably designed to detect, review, and address instances in which the firm failed to take timely action and/or follow-up action with respect to customer limit orders. ([FINRA Case #2015046600801](#))

KCD Financial, Inc. ([CRD #127473](#), Green Bay, Wisconsin)

May 30, 2017 – A Securities and Exchange Commission (SEC) Decision became final in which the firm was censured and fined \$73,000. The SEC sustained the findings and sanctions imposed by the National Adjudicatory Council (NAC). The sanctions were based on findings that the firm sold at least \$2 million in unregistered securities and failed to supervise its representatives' sales of unregistered securities. The findings stated that the unregistered securities were purported to be exempt from registration pursuant to a registration exemption under Rule 506 of Regulation D that, among other things, prohibited the issuer from engaging in a "general solicitation" or "general advertising." Shortly after the offering commenced, the issuer generated a press release concerning the launch of the investment fund, which resulted in newspaper articles that the issuer promptly posted on its affiliate's unrestricted website. The content of the articles was designed to arouse public interest in the securities offering. The issuer's securities attorney contacted the firm and informed it that the newspaper articles amounted to a breach

of the prohibition against general solicitation and advised the firm that the newspaper articles should not be posted on the issuer's website. Despite the attorney's warning, the firm did not prohibit sales of the offering. Instead, the firm took some efforts to limit sales only to accredited investors with whom the firm had a prior relationship and investors who did not see the newspaper articles, and it made ineffective attempts to have the articles removed from the affiliate's website. The SEC found that the firm should have directed its prompt and full attention to the breach of the prohibition against general solicitation, that stopping the unregistered sales of the offering was the only acceptable response, and that the firm's efforts to limit sales were irrelevant to whether the articles constituted a general solicitation. ([FINRA Case #2011025851501](#))

South Street Securities, LLC ([CRD #125202](#), New York, New York)

May 30, 2017 – An AWC was issued in which the firm was censured and fined \$10,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it paid approximately \$847,000 to an unregistered company, wholly-owned and exclusively controlled by one of the firm's associated persons, in exchange for referrals leading to repurchase and reverse repurchase transactions (collectively, repos). The findings stated that the firm agreed to pay the company for referring counterparties for repos but did not analyze whether those payments would require the company to register as a broker-dealer. ([FINRA Case #2016047737402](#))

Kershner Securities, LLC ([CRD #147653](#), Austin, Texas)

May 31, 2017 – An AWC was issued in which the firm was censured, fined \$35,000, and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that due to a technical issue, the automated conversion logic of the firm's trading platform failed to re-mark orders based on the firm's net position. The findings stated that, consequently, the firm failed to properly mark certain sell orders as short or long, and failed to perform certain locates. The firm failed to properly mark 30 sell orders as short and three sell orders as long, and as a result, the executing broker reported each of the transactions to the OTCRF with the incorrect symbol indicating whether the transactions were long or short sales. In addition, the firm effected the 30 short sale orders for its own account without borrowing the security, or entering into a bona-fide arrangement to borrow the security, or having reasonable grounds to believe that the security could be borrowed so that it could be delivered on the date delivery is due, and documenting compliance with Rule 203(b)(1) of Regulation SHO.

The findings also stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations concerning Regulation SHO. The firm's supervisory system did not include WSPs providing for a statement of the supervisory step(s) to be taken by the individual(s) responsible for supervising order marking to ensure that sale orders were appropriately marked in compliance with Regulation SHO, and the WSPs did not account for orders in flight and did not provide for order marking based upon the firm's net position in a security. ([FINRA Case #2014041773101](#))

Perella Weinberg Partners LP ([CRD #138618](#), New York, New York)

May 31, 2017 – An AWC was issued in which the firm was censured and fined \$60,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it permitted employees to become directors in the firm's investment banking department and perform functions requiring an Investment Banking Representative Examination (Series 79 Exam) registration, while they were not registered with FINRA in that capacity. The findings stated that all of these individuals engaged in activities requiring Series 79 registration, including, inter alia, working with the firm's investment banking teams to guide on potential investment banking transactions. ([FINRA Case #2016047634201](#))

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

May 31, 2017 – An AWC was issued in which the firm was censured and fined \$160,000. 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 an adequate supervisory system that was reasonably designed to achieve compliance with certain applicable securities laws and regulations and FINRA rules. The findings stated that the firm did not ensure that the office of the chief executive officer (CEO) was appropriately supervised. As a result, the firm's CEO was not adequately supervised under the firm's supervisory policies and procedures concerning the acquisition, use, and expenditure of the firm's and its parent company's resources. The findings also stated that the firm failed to adequately supervise the firm's CEO to ensure that his entertainment and/or contributions to political figures were appropriately reported. This absence of adequate supervision left the firm unable to reasonably ascertain whether its resources were being utilized solely for business purposes and when and whether its parent company's resources were being appropriately used for the firm's business purposes. This created the risk that the firm was not in compliance with applicable securities laws and regulations, and with FINRA and MSRB rules. The firm's failure to ensure that it had adequate supervisory systems created the potential for vulnerabilities in the following areas: the use of corporate credit cards and purchase cards; use of corporate assets, including jets, yachts and condominiums owned in whole or in part by the parent company; and MSRB Rule G-37 reporting. ([FINRA Case #2014041318503](#))

WFG Investments, Inc. ([CRD #22704](#), Dallas, Texas)

May 31, 2017 – An AWC was issued in which the firm was censured and fined \$150,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to appropriately supervise the sales practices of a registered representative who engaged in unsuitable trading in the brokerage and advisory accounts of his customers, primarily by inappropriately concentrating his customers' accounts in low-priced securities. The findings stated that senior personnel at the firm were aware of red flags that the representative was engaged in unsuitable trading with respect to low-priced securities. The firm consistently failed to take adequate supervisory steps to ensure that the representative's sales of low-priced securities to his customers were suitable. The

firm thus failed to appropriately respond to the red flags that it was made aware of at two separate meetings held at its headquarters that were attended by senior supervisory and compliance personnel, as well as the representative's direct supervisor. Despite the firm's knowledge of numerous red flags regarding the representative, he was never placed on heightened supervision during his tenure with the firm.

Additionally, the firm conducted an inadequate inspection of the representative's branch office. The compliance manager assigned to conduct this audit had participated in the first meeting at the firm's headquarters. Notwithstanding his knowledge of potential sales practice violations involving low-priced securities, the audit he conducted related only to non-sales practice issues, such as the review of change of address requests and a check of controls over the receipt of incoming mail. This supervisory failure facilitated the representative's ongoing sales practice violations, which continued over an 18-month period at the firm. ([FINRA Case #2015045755003](#))

Firms Sanctioned

Cetera Advisor Networks LLC ([CRD #13572](#), El Segundo, California)

May 3, 2017 – An AWC was issued in which the firm was censured and required to provide a remediation plan to FINRA to remediate eligible customers who qualified for, but did not receive, an applicable mutual fund sales-charge waiver. As part of this settlement, the firm agreed to pay restitution to eligible customers, which is estimated to total \$1,911,080 (the amount eligible customers were overcharged, inclusive of interest). Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it disadvantaged certain retirement plan and charitable organization customers that were eligible to purchase Class A shares in certain mutual funds without a front-end sales charge. The findings stated that these eligible customers were instead sold Class A shares with a front-end sales charge or Class B or C shares with back-end sales charges and higher ongoing fees and expenses. These sales disadvantaged eligible customers by causing the customers to pay higher fees than they were actually required to pay.

The findings also stated that the firm failed to reasonably supervise the application of sales-charge waivers to eligible mutual fund sales. The firm relied on its financial advisors to determine the applicability of sales-charge waivers, but failed to maintain adequate written policies or procedures to assist financial advisors in making this determination. In addition, the firm failed to adequately notify and train its financial advisors regarding the availability of mutual fund sales-charge waivers for eligible customers. The firm also failed to adopt adequate controls to detect instances in which they did not provide sales-charge waivers to eligible customers in connection with their mutual fund purchases. As a result of the firm's failure to apply available sales-charge waivers, the firm estimates that eligible customers were overcharged by at least \$1,666,404 for mutual fund purchases made since July 1, 2009. ([FINRA Case #2016050258801](#))

Cetera Advisors LLC ([CRD #10299](#), Denver, Colorado)

May 3, 2017 – An AWC was issued in which the firm was censured and required to provide a remediation plan to FINRA to remediate eligible customers who qualified for, but did not receive, an applicable mutual fund sales-charge waiver. As part of this settlement, the firm agreed to pay restitution to eligible customers, which is estimated to total \$628,040 (the amount eligible customers were overcharged, inclusive of interest). Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it disadvantaged certain retirement plan and charitable organization customers that were eligible to purchase Class A shares in certain mutual funds without a front-end sales charge. The findings stated that these eligible customers were instead sold Class A shares with a front-end sales charge or Class B or C shares with back-end sales charges and higher ongoing fees and expenses. These sales disadvantaged eligible customers by causing the customers to pay higher fees than they were actually required to pay.

The findings also stated that the firm failed to reasonably supervise the application of sales-charge waivers to eligible mutual fund sales. The firm relied on its financial advisors to determine the applicability of sales-charge waivers, but failed to maintain adequate written policies or procedures to assist financial advisors in making this determination. In addition, the firm failed to adequately notify and train its financial advisors regarding the availability of mutual fund sales-charge waivers for eligible customers. The firm also failed to adopt adequate controls to detect instances in which they did not provide sales-charge waivers to eligible customers in connection with their mutual fund purchases. As a result of the firm's failure to apply available sales-charge waivers, the firm estimates that eligible customers were overcharged by at least \$553,398 for mutual fund purchases made since July 1, 2009. ([FINRA Case #2016050259001](#))

MSI Financial Services, Inc. ([CRD #14251](#), Springfield, Massachusetts)

May 12, 2017 – An AWC was issued in which the firm was censured and required to provide a remediation plan to FINRA to remediate eligible customers who qualified for, but did not receive, an applicable mutual fund sales-charge waiver. As part of this settlement, the firm agrees to pay restitution to eligible customers, which is estimated to total \$2,200,000 (the amount eligible customers were overcharged, inclusive of interest). Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it disadvantaged certain retirement plan and charitable organization customers that were eligible to purchase Class A shares in certain mutual funds without a front-end sales charge. The findings stated that these eligible customers were instead sold Class A shares with a front-end sales charge or Class B or C shares with back-end sales charges and higher ongoing fees and expenses. These sales disadvantaged eligible customers by causing such customers to pay higher fees than they were actually required to pay.

The findings also stated that the firm failed to reasonably supervise the application of sales-charge waivers to eligible mutual fund sales. The firm relied on its financial advisors to determine the applicability of sales-charge waivers, but failed to maintain adequate

written policies or procedures to assist financial advisors in making this determination. In addition, the firm failed to adequately notify and train its financial advisors regarding the availability of mutual fund sales-charge waivers for eligible customers. The firm also failed to adopt adequate controls to detect instances in which they did not provide sales-charge waivers to eligible customers in connection with their mutual fund purchases. As a result of the firm's failure to apply available sales-charge waivers, the firm estimates that eligible customers were overcharged by at least \$1,900,000 for mutual fund purchases made since July 1, 2009. ([FINRA Case #2016052332801](#))

Individuals Barred

Johnathan M. Lo ([CRD #4838748](#), Brooklyn, New York)

May 1, 2017 – An AWC was issued in which Lo was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Lo consented to the sanction and to the entry of findings that he failed to appear for a FINRA on-the-record interview in connection with an investigation. ([FINRA Case #2015046501101](#))

Tracy Rae Turner ([CRD #1385745](#), San Marcos, California)

May 2, 2017 – An OHO decision became final in which Turner was barred from association with any FINRA member in all capacities and fined \$272,879.04, plus prejudgment interest. The sanctions were based on findings that Turner failed to give prior written notice to, and receive prior written permission from, his member firm before participating in private securities transactions. The findings stated that Turner offered and sold more than \$4.1 million in interests in saltwater disposal wells to investors. Eight of the investors were customers of his firm. Turner was compensated from the proceeds of each sale through an entity that he owned and was paid a commission from each customer's purchase amount. The findings also stated that to market the sale of interests in the private securities, Turner created and made publicly available online an offering memorandum that included false and misleading statements. In addition, Turner wrote an accompanying message to the offering memorandum that was not fair and balanced, and did not provide a sound basis for evaluating an investment in the private securities interests. Turner's statements were therefore misleading. Turner also made unwarranted predictions about the returns investors could expect from investing their money in the private securities interests. Turner lacked a foundation for his financial return predictions. The findings also included that Turner's offering memorandum and his online message were not approved by his firm before he used them or before they were filed with FINRA. ([FINRA Case #2014040338401](#))

Joshua Lawrence Gottlieb ([CRD #3160206](#), Chagrin Falls, Ohio)

May 5, 2017 – An AWC was issued in which Gottlieb was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Gottlieb consented to the sanction and to the entry of findings that he did not respond fully to

FINRA's request for information and documents and stated that he will not appear for an on-the-record testimony during the course of an ongoing FINRA examination. The findings stated that FINRA began the examination of outside business activities that Gottlieb had disclosed to his member firm to determine, among other things, whether he may have participated in private securities transactions or otherwise acted in violation of FINRA rules. ([FINRA Case #2015044604802](#))

Anthony John Cummings ([CRD #4425912](#), Cockeysville, Maryland)

May 9, 2017 – An AWC was issued in which Cummings was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Cummings consented to the sanction and to the entry of findings that he converted funds from a customer of his member firm. The findings stated that Cummings solicited \$60,000 from the customer for personal expenses, and the funds came directly from the customer's account at the firm. Cummings kept the funds and failed to repay the customer. Cummings acted unethically by accepting the funds without the means or intent to repay the customer. ([FINRA Case #2016051104901](#))

Suzette Merriam Foster ([CRD #3206717](#), Hoover, Alabama)

May 9, 2017 – An AWC was issued in which Foster was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Foster consented to the sanction and to the entry of findings that during the course of an investigation, FINRA found that she created and provided false and misleading documents in response to information requests and provided false and misleading testimony during her sworn on-the-record interview. The findings stated that FINRA initiated a review of certain transaction reporting of municipal securities at Foster's member firm. Foster created and produced false and misleading responses to FINRA's requests for information in an effort to lead FINRA to believe that she had conducted supervisory reviews for transaction reporting of municipal securities. Foster also provided false and misleading testimony when she stated that she had conducted contemporaneous supervisory reviews for trade reporting of municipal securities, and that she had not created any documents to make it appear as though she had conducted supervisory reviews for trade reporting of municipal securities when she had not conducted any such reviews. ([FINRA Case #2014041123201](#))

Deja Roshelle Jefferson ([CRD #6550180](#), Charlotte, North Carolina)

May 9, 2017 – An AWC was issued in which Jefferson was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Jefferson consented to the sanction and to the entry of findings that she refused to appear for FINRA on-the-record testimony during its investigation into allegations that she converted her member firm's funds by charging \$4,380.24 in personal expenditures and misrepresenting to the firm that the items were office supplies. ([FINRA Case #2017052678001](#))

Eugene Arthur Riggio ([CRD #2571508](#), Cortlandt Manor, New York)

May 10, 2017 – An AWC was issued in which Riggio was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Riggio consented to the sanction and to the entry of findings that he failed to provide information FINRA requested in connection with an investigation into potential misuse of funds. ([FINRA Case #2016051872301](#))

Mary Ann Wise ([CRD #1266649](#), Staten Island, New York)

May 11, 2017 – An AWC was issued in which Wise was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Wise consented to the sanction and to the entry of findings that she refused to appear for FINRA on-the-record testimony. The findings stated that Wise previously provided on-the-record testimony to FINRA during the course of its investigation into the activities of an individual who FINRA had barred. However, Wise refused FINRA's request to appear for an additional day of on-the-record testimony. ([FINRA Case #2016049172801](#))

Justin J. McClure ([CRD #6442832](#), Charlotte, North Carolina)

May 15, 2017 – An AWC was issued in which McClure was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, McClure consented to the sanction and to the entry of findings that he refused to appear for FINRA on-the-record testimony in connection with its investigation into whether he converted approximately \$19,000 by impermissibly using his corporate credit card for personal expenses. ([FINRA Case #2016050250102](#))

Phi Phuong Phan ([CRD #6191955](#), San Jose, California)

May 16, 2017 – An AWC was issued in which Phan was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Phan consented to the sanction and to the entry of findings that she failed to appear and provide on-the-record testimony in connection with FINRA's investigation into allegations that she may have structured a series of cash deposits into her personal bank account to avoid the filing of a currency transaction report. ([FINRA Case #2015048315901](#))

Christopher Michael Lippus ([CRD #5743734](#), Massapequa, New York)

May 19, 2017 – An AWC was issued in which Lippus was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Lippus consented to the sanction and to the entry of findings that he refused to appear for FINRA on-the-record testimony. ([FINRA Case #2017054145201](#))

Scott Sherwin Polish ([CRD #2165523](#), Solon, Ohio)

May 22, 2017 – An AWC was issued in which Polish was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Polish consented to the sanction and to the entry of findings that he failed to respond to FINRA's

request for documents and information during the course of an investigation into his alleged conversion of the funds of an elderly couple who were customers. ([FINRA Case #2017053893501](#))

Keith Douglass Geary ([CRD #2996679](#), Edmond, Oklahoma)

May 24, 2017 – Geary appealed an SEC decision to the U.S. Court of Appeals for the Tenth Circuit. Geary was fined \$20,000, suspended from association with any FINRA member in all capacities for 30 business days and barred from association with any FINRA member in any principal or supervisory capacity. The SEC sustained the findings and sanctions imposed by the NAC. The sanctions were based on findings that on two separate instances, Geary permitted his member firm to operate while it lacked the required minimum net capital. The findings stated that Geary caused the firm's first net capital violation when he acquired almost \$77 million in collateralized mortgage obligations (CMOs) in the firm's account without having a buyer for the CMOs, and the firm did not have the money to pay for the CMOs. As a result of the trade, Geary permitted his firm to operate for two days while it was net capital deficient. Geary then knowingly permitted the firm to operate for 13 days while it lacked the required net capital a second time, less than eight months later.

The sanctions, except for the principal and supervisory bar, are not in effect pending review. ([FINRA Case #2009020465801](#))

Michael Anthony Mahabir ([CRD #6125456](#), Altadena, California)

May 24, 2017 – An AWC was issued in which Mahabir was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Mahabir consented to the sanction and to the entry of findings that he refused to provide FINRA with requested documents during the course of an investigation focusing on whether he had converted funds from a bank customer. ([FINRA Case #2017052878801](#))

David Wesley Wells ([CRD #3252656](#), Hanover, Pennsylvania)

May 24, 2017 – An AWC was issued in which Wells was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Wells consented to the sanction and to the entry of findings that he refused to produce information and documents FINRA requested during the course of an investigation into allegations that he misappropriated funds from at least one customer. ([FINRA Case #2016052622602](#))

Christopher Stephen Jorgensen ([CRD #1919475](#), Smithtown, New York)

May 26, 2017 – An AWC was issued in which Jorgensen was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Jorgensen consented to the sanction and to the entry of findings that he refused to appear for FINRA on-the-record testimony. ([FINRA Case #2016049329101](#))

Individuals Suspended

Gregory Walter McCloskey (CRD #2820510, Irvine, California)

May 1, 2017 – An AWC was issued in which McCloskey 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, McCloskey consented to the sanctions and to the entry of findings that he participated in a series of private securities transactions without providing written notice to or receiving approval from his member firm. The findings stated that McCloskey invested \$50,000 in a lighting and energy networking company and also introduced two of his customers to the company. Each of the customers invested \$25,000 in the company. McCloskey did not receive any selling compensation.

The suspension was in effect from June 5, 2017, through June 23, 2017. ([FINRA Case #2015044037901](#))

William Harrison McWilliams (CRD #4688323, Columbia, Missouri)

May 2, 2017 – An AWC was issued in which McWilliams was fined \$7,500 and suspended from association with any FINRA member in all capacities for 10 business days. Without admitting or denying the findings, McWilliams consented to the sanctions and to the entry of findings that he exercised discretionary trading authority in response to customer liquidation requests in customers' accounts without obtaining prior written authorization from the customers and without having the accounts accepted as discretionary accounts by his member firm. The findings stated that McWilliams also exercised discretionary trading authority in other customers' accounts. In these instances, McWilliams failed to discuss the subject trades with the customers on the day of the transaction, and the firm prohibited the use of discretion in these circumstances.

The suspension was in effect from June 5, 2017, through June 16, 2017. ([FINRA Case #2015044938001](#))

Avery Fennoy Byrd Sr. (CRD #1609092, Colts Neck, New Jersey)

May 4, 2017 – An AWC was issued in which Byrd was suspended from association with any FINRA member in all capacities for three months. In light of Byrd's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Byrd consented to the sanction and to the entry of findings that he willfully failed to disclose an unsatisfied judgment on his Form U4. The findings stated that the judgement was entered against him and four entities that he owned for \$392,370, plus pre-judgment interest, in connection with a civil lawsuit filed by a bank alleging that Byrd and the other defendants had failed to repay loans. Byrd was aware of this judgment because it was entered with his consent.

The suspension is in effect from June 5, 2017, through September 4, 2017. ([FINRA Case #2014038903702](#))

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

May 4, 2017 – An OHO decision became final in which Langweiler was fined \$20,000, suspended from association with any FINRA member in all capacities for two years for willfully failing to timely disclose on his Form U4 three unsatisfied IRS tax liens and three unsatisfied judgments against him, and suspended from association with any FINRA member in all capacities for two years for providing false information regarding the unsatisfied tax liens and judgments to his member firm and to FINRA. The suspensions are to run concurrently. The sanctions were based on findings that Langweiler willfully failed to timely disclose three unsatisfied judgments and three unsatisfied federal tax liens on his Form U4. The findings stated that in one case involving an unsatisfied judgment, Langweiler only made the disclosure after being questioned about the judgment in a FINRA on-the-record interview. The findings also stated that when Langweiler joined his firm, he falsely attested on a background questionnaire that he did not have any liens or judgments. At that time, he had at least one tax lien and one outstanding judgment against him. Langweiler similarly provided false information on a FINRA questionnaire, disclosing only one judgment and one federal tax lien while omitting others.

The suspension is in effect from May 15, 2017, through May 14, 2019. ([FINRA Case #2011029549201](#))

V. Cullen Kempson III aka Voigt C. Kempson ([CRD #1280887](#), Sparta, New Jersey)

May 5, 2017 – An AWC was issued in which Kempson was fined \$5,000 and suspended from association with any FINRA member in all capacities for 30 days. Without admitting or denying the findings, Kempson consented to the sanctions and to the entry of findings that he effected unauthorized trades in a deceased customer's accounts. The findings stated that although Kempson was aware of the customer's death, he did not inform his member firm of the customer's death and continued to effect trades on a discretionary basis in the customer's accounts. At the time the customer opened their accounts, the customer signed an agreement with the firm granting Kempson discretionary trading authority over the accounts. However, after the customer died, Kempson did not have any written authority to conduct any trades in the customer's accounts.

The suspension was in effect from June 5, 2017, through July 4, 2017. ([FINRA Case #2016050476301](#))

Steven Anthony Olejniczak ([CRD #6023114](#), Grimes, Iowa)

May 8, 2017 – An AWC was issued in which Olejniczak 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, Olejniczak consented to the sanctions and to the entry of findings that he failed to comply with his member firm's policies and procedures, which required him to disclose to his member firm that an elderly firm customer had designated him and his wife as beneficiaries of the customer's firm

account, and that his wife had been named as a beneficiary of the customer's estate, prohibited him from continuing to service the customer's firm account while being named as a beneficiary of the account, and required him to obtain the firm's approval to be given medical power of attorney over the customer. The findings stated that Olejniczak was designated as the beneficiary of 90 percent of the assets in a firm account held by his 76-year-old firm customer; however, Olejniczak failed to notify the firm and continued to service the customer's account. Olejniczak was also aware, while he was associated with the firm, that his wife had been named as a beneficiary of the customer's firm account and the customer's estate, and that the customer executed a document that gave him medical power of attorney over the customer in the event that the customer became incapacitated. Nonetheless, Olejniczak failed to notify the firm or seek its approval to serve as the customer's medical attorney-in-fact.

The suspension is in effect from May 15, 2017, through November 14, 2017. ([FINRA Case #2016050107901](#))

Eli S. Ungar (CRD #4748236, East Brunswick, New Jersey)

May 10, 2017 – An AWC was issued in which Ungar was fined \$10,000 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Ungar consented to the sanctions and to the entry of findings that he printed approximately 328 customer account records from his former member firm that included, among other things, date of birth, social security number, financial account number and account balances for each customer. The findings stated that Ungar subsequently took the printed records from the firm and used that non-public personal information to contact his former firm clients at his new employing broker-dealer to which he was transitioning. At all relevant times, the firm maintained policies and procedures that required its employees to protect the firm's confidential customer information. The firm's policies prohibited Ungar from reproducing or using such confidential information for any purpose other than conducting firm business. The customer account records constituted non-public personal information under Regulation S-P because that information was provided by firm customers to obtain financial products and services, resulted from transactions involving financial products or services the firm provided to its customers, and/or was obtained in connection with providing financial products or services to firm customers. Upon resigning from the firm and commencing employment with his new firm, Ungar continued to maintain possession of the non-public customer information he improperly took from the firm. Ungar contacted approximately 90 of the 328 clients whose personal confidential information he removed from his former firm and began soliciting their business. By improperly taking non-public personal customer information from his former firm, Ungar caused his former firm to violate Regulation S-P.

The suspension was in effect from June 5, 2017, through June 23, 2017. ([FINRA Case #2016050590401](#))

Ralph Brian Marra (CRD #2128560, Oceanport, New Jersey)

May 11, 2017 – An AWC was issued in which Marra was fined \$5,000 and suspended from association with any FINRA member in all capacities for 20 business days. Without admitting or denying the findings, Marra consented to the sanctions and to the entry of findings that he effected approximately 176 discretionary transactions in the accounts of six customers without obtaining prior written authorization from those customers, and without his member firm having accepted those accounts as discretionary in writing.

The suspension was in effect from June 5, 2017, through June 30, 2017. ([FINRA Case #2016048746401](#))

Terry Lee Brodt Jr. (CRD #2033812, Boise, Idaho)

May 12, 2017 – An AWC was issued in which Brodt was fined \$10,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Brodt consented to the sanctions and to the entry of findings that he exercised discretion in customer accounts without written authorization from those customers and without having obtained approval from his member firm to treat those customer accounts as discretionary. The findings stated that Brodt provided inaccurate responses about his use of discretion in connection with the firm's annual compliance documents.

The suspension is in effect from June 5, 2017, through August 4, 2017. ([FINRA Case #2012030677102](#))

Kevin Richard Graetz (CRD #1935982, New Canaan, Connecticut)

May 15, 2017 – An Offer of Settlement was issued in which Graetz 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 allegations, Graetz consented to the sanctions and to the entry of findings that he filed an inaccurate and misleading initial Form U4 with his member firm that failed to disclose 10 unsatisfied federal and state tax liens that had been entered against him. The findings stated that Graetz willfully failed to timely update his Form U4 to disclose that he was subject to, at various times, between 10 to 12 unsatisfied state and federal tax liens, totaling over \$1 million, despite knowing that tax liens had been filed against him and knowing his obligation to disclose liens on his Form U4. After Graetz became associated with the firm, he failed to amend his Form U4 to disclose any of the tax liens that had been filed against him until over a year later. In addition, multiple amendments were filed to Graetz's Form U4 that inaccurately and misleadingly indicated that Graetz was not subject to any unsatisfied tax liens, when in fact he was.

The suspension is in effect from May 15, 2017, through November 14, 2017. ([FINRA Case #2014038847602](#))

Andrew John Logullo ([CRD #2383674](#), Los Angeles, California)

May 15, 2017 – An AWC was issued in which Logullo 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, Logullo consented to the sanctions and to the entry of findings that he did not provide written notice to his member firm that he had discretionary trading authority over three investors' accounts at the another firm. The findings stated that Logullo did not request or receive the firm's approval to exercise discretionary trading authority over those accounts. Logullo requested that a registered representative employed with the other firm open brokerage accounts for the investors located outside the United States at the representative's firm. Logullo asserted that these investors were his clients and that he was an independent non-registered person, rather than disclosing that he was registered with FINRA through an association with his firm. An account was opened for each of the investors at the other firm. Each of the investors signed new account forms that provided Logullo with discretionary trading authority over the accounts. In addition, Logullo and each investor signed a trading authorization agreement providing Logullo with discretionary trading authority over the accounts. The other FINRA firm closed the investors' accounts after the investors attempted to deposit shares of penny stocks and it became concerned that the investors may have been acting at the direction of the penny stock issuer. The findings also stated that Logullo was the president and registered agent of a company formed to provide securities-related consulting services and he did not disclose his role in the company to his firm when he became associated with it or at any time thereafter.

The suspension is in effect from May 15, 2017, through November 14, 2017. ([FINRA Case #2015046063501](#))

Glenn Scott Searles ([CRD #2400403](#), Strongsville, Ohio)

May 15, 2017 – An AWC was issued in which Searles 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, Searles consented to the sanctions and to the entry of findings that he failed to report an unsatisfied judgment and failed to timely report a lien on his Form U4. The findings stated that a judgment against Searles for \$3,912.99 provided that he would make monthly payments of \$250 to satisfy the judgment. Searles failed to timely make certain payments under the judgment and subsequently, the court entered a judgment lien against him. Searles later satisfied the judgment. Searles filed numerous Form U4 amendments, none of which disclosed the judgment. In addition, Searles filed two amendments to his Form U4, neither of which disclosed a judgment and lien obtained against Searles for \$2,973.94. The findings also stated that Searles made a misrepresentation to his member firm when he answered that he did not have unsatisfied liens or judgements against him on an annual compliance questionnaire. At the time he answered the questionnaire, Searles had several unsatisfied liens and an unsatisfied judgment reported on his Form U4.

The suspension is in effect from May 15, 2017, through October 14, 2017. ([FINRA Case #2014040546101](#))

Michael Patrick Spolar ([CRD #2192992](#), Lyndhurst, Ohio)

May 16, 2017 – An AWC was issued in which Spolar was suspended from association with any FINRA member in all capacities for one month. In light of Spolar’s financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Spolar consented to the sanction and to the entry of findings that he exercised discretion in customers’ accounts that were non-discretionary accounts without obtaining the required prior written authorization from the customers and his member firms. The findings stated that Spolar stated that he would discuss strategy with these clients, including the specific securities and quantities to be purchased, and that he received verbal authority for the trades. However, on at least some occasions, Spolar executed the transactions in the days following receipt of verbal authority. Such activity was prohibited at his firm, and when it discovered the activity, he was terminated. The findings also stated that after Spolar registered with a new firm, he continued to exercise discretion in customer accounts. Spolar admitted to exercising discretion in customers’ accounts at the firm, including customers’ accounts that he had exercised discretion in at his previous firm. Spolar again stated that his practice was to discuss strategy with the clients, including the specific securities and quantities to be purchased, and receive verbal authority for the trades. Again, Spolar admitted to executing the transactions on dates following receipt of verbal authority.

The suspension is in effect from June 19, 2017, through July 18, 2017. ([FINRA Case #2016050379401](#))

Stephen J. Landa ([CRD #2172148](#), Easton, Connecticut)

May 17, 2017 – An AWC was issued in which Landa was assessed a deferred fine of \$5,000, suspended from association with any FINRA member in all capacities for two months, and ordered to pay \$18,156.53, plus interest, in deferred restitution to customers. Without admitting or denying the findings, Landa consented to the sanctions and to the entry of findings that he employed an unsuitable short-term mutual fund trading strategy in the individual account of a customer and the joint account of that customer and another customer. The findings stated that at the time, the customers were both 60 years of age or older, retired and living on fixed incomes. Both of the customers had conservative investment objectives and moderate risk tolerances. Nevertheless, Landa recommended that the customers purchase mutual fund shares and shortly thereafter, recommended that they sell the shares. Landa did not have a reasonable basis for believing that such transactions were suitable. Even though mutual funds are intended as longer-term investments, Landa recommended that the customers sell the mutual fund shares after an average holding period of less than six months. All of these transactions involved Class A mutual fund shares, which included front-end sales loads. As a result of these transactions, the customers suffered collective losses of approximately \$18,156.53.

The suspension is in effect from June 5, 2017, through August 4, 2017. ([FINRA Case #2016049485101](#))

David William Huff (CRD #4423458, Meraux, Louisiana)

May 18, 2017 – An Offer of Settlement was issued in which Huff was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the allegations, Huff consented to the sanctions and to the entry of findings that he willfully failed to timely amend his Form U4 to disclose a Chapter 13 bankruptcy petition that he filed in a United States Bankruptcy Court. The findings stated that over eight months after filing the bankruptcy petition and in response to his member firm's inquiry, Huff provided an updated Form U4 to the firm to disclose the bankruptcy petition. The findings also stated that Huff misled the firm by falsely attesting that he had reviewed all information on his Form U4, including all disclosure questions, and that his Form U4 on file with the firm was accurate and complete.

The suspension is in effect from June 19, 2017, through September 18, 2017. ([FINRA Case #2014042059701](#))

Edward Thomas McFarlane (CRD #2492335, Glenside, Pennsylvania)

May 18, 2017 – An AWC was issued in which McFarlane was fined \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, McFarlane consented to the sanctions and to the entry of findings that he recommended and effected unsuitable transactions involving inverse, leveraged, and inverse-leveraged exchange-traded funds (non-traditional ETFs) in customer accounts. The findings stated that the non-traditional ETFs McFarlane recommended did not comport with the customer's financial situation, conservative investment objectives and minimal risk tolerance. McFarlane held the non-traditional ETFs in the customer's accounts for as long as 470 days with an average holding period of 40 days, despite the fact that these non-traditional ETFs were short-term trading vehicles not meant to be held for extended periods. As a result of these transactions, the customer suffered total losses of approximately \$48,524.79. McFarlane's member firm paid restitution to the customer for these losses.

The suspension is in effect from June 19, 2017, through August 18, 2017. ([FINRA Case #2016050393901](#))

James Davis Trent (CRD #2730687, Lexington, South Carolina)

May 18, 2017 – An Offer of Settlement was issued in which Trent was suspended from association with any FINRA member in all capacities for six months. In light of Trent's financial status, no monetary sanction has been imposed. Without admitting or denying the allegations, Trent consented to the sanction and to the entry of findings that he engaged in a pattern of recommending unsuitable short-term trading of Class A mutual fund shares to customers, resulting in the customers (all of whom were retired) incurring approximately \$6,362.50 in unnecessary sales charges, while Trent received approximately \$2,910 as his commission from the sales loads. The findings stated that Trent recommended all of the transactions that were executed in the customers' accounts at

the firm, including short-term trading involving Class A front-end-loaded mutual funds. In the transactions at issue, Trent recommended the purchase of Class A mutual fund shares and, within less than a year, recommended the sale of the positions, resulting in an average holding period for the customers' accounts of six months. Given the long-term nature of investments in Class A mutual fund shares and the customers' investment profiles, Trent lacked a reasonable basis to believe that the recommended securities transactions were suitable for the customers.

The suspension is in effect from June 5, 2017, through December 4, 2017. ([FINRA Case #2014041539301](#))

Alexandra Sahraie (CRD #6114524, Port Jervis, New York)

May 22, 2017 – An AWC was issued in which Sahraie was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for five business days. Without admitting or denying the findings, Sahraie consented to the sanctions and to the entry of findings that she took confidential, nonpublic customer information from a member firm she was leaving and placed it on the computer systems of her new firm. The findings stated that Sahraie emailed an electronic file containing the confidential, non-public customer information relating to accounts from her email account at the firm she was leaving to a personal email account. Thereafter, Sahraie saved a copy of the file on her computer at her new firm but did not otherwise further disseminate or use the information.

The suspension was in effect from June 19, 2017, through June 23, 2017. ([FINRA Case #2016051051601](#))

Shashi Dayalji (CRD #5848916, Grand Prairie, Texas)

May 23, 2017 – An AWC was issued in which Dayalji 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, Dayalji consented to the sanctions and to the entry of findings that he created and submitted false information to an insurance affiliate of his member firm to enable customers to receive a discount on their automobile insurance to which they were not entitled. The finding stated that Dayalji created and submitted on behalf of customers 22 false letters of experience, which verify the length of time a policyholder had or has had insurance with a company. The letters of experience contained identical vehicle and premium information, but with invalid policy numbers and the customer's name and address changed. Dayalji also created and submitted on behalf of customers nine false diplomas in order for the customers to receive an affinity discount. Seven of the diplomas were from the same university for the same degree, with only the customer's name changed.

The suspension is in effect from June 5, 2017, through September 4, 2017. ([FINRA Case #2015046481201](#))

Craig Allan Lewis (CRD #3016995, Mandeville, Louisiana)

May 23, 2017 – An AWC was issued in which Lewis 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, Lewis consented to the sanctions and to the entry of findings that he willfully failed to timely disclose a reportable federal tax lien of approximately \$566,657 on his Form U4.

The suspension is in effect from June 5, 2017, through August 4, 2017. ([FINRA Case #2016051531601](#))

David Tod II (CRD #1004317, Hudson, Ohio)

May 23, 2017 – An AWC was issued in which Tod was fined \$15,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Tod consented to the sanctions and to the entry of findings that he created and issued three recommendation letters for a prospective customer of his member firm that were written on firm letterhead and contained misleading statements regarding the prospective customer's investment experience and his source of funding for a prospective real estate transaction. The findings stated that Tod did not submit the recommendation letters to the firm for review and approval as required by the firm's WSPs. In addition, without the firm's knowledge or authorization, Tod took possession of two subpoenas sent to Tod's branch office, addressed to Tod and the firm, related to a pending civil suit against the prospective customer that sought information about, among other things, Tod's recommendation letters. The firm's WSPs required its branch managers to direct all subpoenas to its legal department. Tod's failure to submit the recommendation letters and subpoenas to the firm for review prevented the firm from fulfilling its supervisory obligations and preserving Tod's correspondence.

The suspension is in effect from June 19, 2017, through October 18, 2017. ([FINRA Case #2015045370601](#))

James Anthony Nelson (CRD #1365220, Evans City, Pennsylvania)

May 24, 2017 – An AWC was issued in which Nelson was fined \$5,000 and suspended from association with any FINRA member in all capacities for 60 days. Without admitting or denying the findings, Nelson consented to the sanctions and to the entry of findings that he made approximately 20 trades in 20 customers' individualized retirement accounts, prior to receiving the customers' authorization.

The suspension is in effect from June 19, 2017, through August 17, 2017. ([FINRA Case #2016050825301](#))

Melinda M. Ariosa (CRD #1460568, Nottingham, Maryland)

May 25, 2017 – An AWC was issued in which Ariosa 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, Ariosa consented to the sanctions and to the

entry of findings that she willfully failed to disclose an arrest or a guilty plea on her Form U4. The findings stated that Ariosa was arrested and charged with two felony and two misdemeanor drug violations. Ariosa entered a guilty plea to one felony count, and was placed on probation without entry of a judgment. In addition, Ariosa completed compliance questionnaires in which she falsely answered “no” to a question regarding whether she had, within the past 24 months, “been arrested, charged or convicted with a felony, misdemeanor, or had any statutory disqualifications, as defined by Section 3(a)(39) of the Exchange Act of 1934.”

The suspension is in effect from June 5, 2017, through December 4, 2017. ([FINRA Case #2016052320401](#))

Michael Salvatore Stanton (CRD #1448072, Warren, New Jersey)

May 25, 2017 – An Offer of Settlement was issued in which Stanton was fined \$5,000 and suspended from association with any FINRA member in any principal capacity for seven months. Without admitting or denying the allegations, Stanton consented to the sanctions and to the entry of findings that he failed to establish, maintain and enforce a reasonable supervisory system, and failed to enforce his member firm’s WSPs, to prevent a registered representative from churning and excessively trading an elderly, blind and physically disabled windowed customer’s brokerage accounts. The findings stated that Stanton failed to reasonably implement the firm’s procedures in connection with his supervision of the representative’s activities concerning the customer’s accounts to ensure that the account activities were suitable for the customer. Stanton also failed to adequately investigate red flags demonstrating that the representative was churning the customer’s individual retirement and investment accounts. Stanton failed to adequately investigate, or simply ignored, that the representative engaged in aggressive, “in-and-out” trading, repeatedly purchasing securities and then selling them after relatively short holding periods to purchase other securities, for no apparent reason. Stanton was aware that the representative’s trading in the customer’s accounts was excessive. Stanton failed to supervise the representative who willfully violated Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5, and FINRA Rule 2020.

The suspension is in effect from June 19, 2017, through January 18, 2018. ([FINRA Case #2015048048801](#))

Katherine Ann White (CRD #1362036, Athens, Illinois)

May 25, 2017 – An OHO decision became final in which White was fined \$10,000 and suspended from association with any FINRA member in all capacities for six months. The sanctions were based on findings that White borrowed \$10,000 from a 69-year-old customer, knowing she was not permitted to borrow money from a customer. The findings stated that White received a \$10,000 cashier’s check from the customer and paid the customer the \$10,000 (plus a \$600 profit) back over the following six months. When

White's member firm found out about the loan and confronted her, White took the position that the \$10,000 was not a loan, but the purchase price for the sale of her tractor to the customer, and she paid \$10,600 to buy the tractor back from the customer.

The suspension is in effect from June 5, 2017, through December 4, 2017. ([FINRA Case #2015045601401](#))

Laurence M. Rothstein (CRD #4591152, Cumming, Georgia)

May 30, 2017 – An AWC was issued in which Rothstein was fined \$10,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Rothstein consented to the sanctions and to the entry of findings that he caused his member firm's books and records to be inaccurate by entering false savings goals for his customers into a firm-created database that tracks and stores certain customer contacts and information. The findings stated that for each customer, Rothstein entered a special savings goal of \$10,000 without speaking to the customer about the goal or the purpose of the savings. Rothstein knew that this information was false. The findings also stated that Rothstein exercised discretion in a customer's account by entering orders to sell securities from the customer's account without speaking to the customer or obtaining specific authorization from the customer as to the securities, the price, the amount or the timing of each order. In addition, Rothstein's firm did not allow its registered representatives to exercise discretion in customer accounts and required representatives to obtain specific authorization from the customer as to the security, the price, the amount and the timing of each order.

The suspension is in effect from June 19, 2017, through August 18, 2017. ([FINRA Case #2016051183801](#))

Kenneth Alan Zegar (CRD #2385063, New York, New York)

May 30, 2017 – An AWC was issued in which Zegar was fined \$30,000, suspended from association with any FINRA member in all capacities for two months, and required to requalify by examination as a General Securities Representative (Series 7) upon reassociation with a member firm. Without admitting or denying the findings, Zegar consented to the sanctions and to the entry of findings that in three instances, he misrepresented to firm customers who were interested in purchasing bonds either the price at which his firm had acquired the bonds, or that the firm was working with a seller of the bonds when Zegar knew that it already owned the bonds in inventory. In a fourth instance, Zegar suggested that a fellow managing director misrepresent that the firm was working with a seller of certain bonds when Zegar knew that it already owned the bonds in inventory.

The suspension is in effect from June 19, 2017, through August 18, 2017. ([FINRA Case #2016049963001](#))

Brent David Hurt ([CRD #1976536](#), Chicago, Illinois)

May 31, 2017 – An AWC was issued in which Hurt was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 13 months. Without admitting or denying the findings, Hurt consented to the sanctions and to the entry of findings that he failed to supervise a registered representative of his member firm in connection with the sale of private offerings of securities related to a real estate development project. The findings stated that as the firm’s CEO and chief compliance officer, and the representative’s direct supervisor at the firm, Hurt was responsible for ensuring that the firm established, maintained and enforced a reasonable supervisory system. Hurt was the only person responsible for supervising the representative’s solicitation of investors to purchase the offerings, but he failed to reasonably review or supervise the representative’s activities in this regard. As a result, the representative signed Hurt’s name to subscription documents and pre-populated a universal execution date on subscription documents, regardless of when the investors executed those documents. The representative also failed to return complete copies of investors’ subscription agreements to the firm. Because Hurt’s supervision did not include a review of the representative’s activities related to the offerings, or a review of investor documents to ensure that they were accurate and complete, that system of supervision was unreasonable. The findings also stated that Hurt caused the firm to maintain inaccurate books and records. When Hurt and the firm (including the representative) sold interests in the offerings, they failed to maintain complete copies of some subscription agreements executed by investors in the offerings. Hurt caused the firm to maintain incomplete subscription agreements for private offerings sold by the firm. Additionally, Hurt did not maintain complete or adequate records reflecting expenses, reimbursements, or how investor proceeds were used and related to investments in and expenditures related to the real estate development project.

The suspension is in effect from June 5, 2017, through July 4, 2018. ([FINRA Case #2015044172201](#))

Individual Fined

Robert Michael Bulloch ([CRD #2541075](#), Raleigh, North Carolina)

May 26, 2017 – An AWC was issued in which Bulloch was censured and fined \$10,000. Without admitting or denying the findings, Bulloch consented to the sanctions and to the entry of findings that he exercised discretion in customer accounts without having obtained prior written authorization from the customers to exercise discretion in their accounts, and without his member firm having approved the accounts for discretionary trading. The findings stated that although Bulloch had discussed and agreed upon particular investment strategies with these customers, in some instances he exercised discretion and executed transactions in furtherance of those strategies without first speaking with the customers about the specific transactions. ([FINRA Case #2016051902901](#))

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, 2017. The NAC may increase, decrease, modify or reverse the findings and sanctions imposed in the decision. Initial decisions where the time for appeal has not yet expired will be reported in future issues of *FINRA Disciplinary and Other Actions*.

Allen Bernard Holeman ([CRD #1060910](#), Marlboro, New Jersey)

May 24, 2017 – Holeman appealed the OHO decision to the NAC. Holeman was fined \$10,000 and suspended from association with any FINRA member in all capacities for 30 business days. The sanctions were based on findings that Holeman willfully failed to timely amend his Form U4 to disclose IRS tax liens filed against him. The findings stated that Holeman made a false statement on his member firm’s compliance questionnaire. Holeman failed to disclose his outstanding tax liens on the compliance questionnaire that he submitted to his firm and he falsely stated that he had none, even though FINRA contacted him about the liens only two months earlier. On May 30, 2017, the Department of Enforcement cross-appealed with respect to the sanctions imposed by the Hearing Panel.

The sanctions are not in effect pending review. ([FINRA Case #2014043001601](#))

Complaints Filed

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

Brant Andrew Ray ([CRD #4746637](#), Southaven, Mississippi)

May 1, 2017 – Ray was named a respondent in a FINRA complaint alleging that he improperly borrowed \$50,000 from a customer. The complaint alleges that at the time of the loan, Ray’s member firm prohibited borrowing from customers with certain exceptions not applicable here. This loan met none of the exceptions to FINRA Rule 3240 or to the firm’s written procedures. Moreover, Ray failed to provide his firm with prior written notice of the loan. The complaint also alleges that Ray falsely certified in an annual compliance questionnaire that he was in compliance with his firm’s prohibition against borrowing from customers. The complaint further alleges that Ray provided FINRA with false information and testimony in connection with the investigation of his loan from the customer. ([FINRA Case #2015047096601](#))

Joseph C. Farah ([CRD #2978633](#), Hacienda Heights, California)

May 8, 2017 – Farah was named a respondent in a FINRA complaint alleging that he engaged in a manipulative, deceptive and fraudulent scheme, and acted with intent to defraud or, at the very least, with reckless disregard of the customer's interests by churning a customer's account. The complaint alleges that Farah knew that the customer had a limited income and net worth, no investment experience, was supporting her children, and unable to tolerate any significant loss. Nonetheless, Farah day-traded the customer's account with the entire attendant risks and costs, and without discussing any of the transactions with the customer. As a result, Farah willfully violated Section 10(b) of the Exchange Act of 1934 and Rule 10b-5, and FINRA Rule 2020. The complaint also alleges that Farah engaged in excessive and unsuitable trading in the customer's account. Farah's trading in the customer's account created risks that were incompatible with the customer's investment needs and welfare. The trading was, as evidenced by the number of trades, the extraordinary turnover rate and the cost-to-equity ratio, excessive and inconsistent with the customer's investment objective and financial situation.

The complaint further alleges that Farah failed to provide his firm with written notice of his discretionary authority over the accounts held by the customer and others, and failed to provide written notice to the executing firm that he was associated with his firm. In addition, the complaint alleges that Farah failed to provide his firm with prior written notice and any notice at all of his creation of and involvement with, an outside business activity. Moreover, the complaint alleges that Farah made material misrepresentations to his firm by falsely responding to questions on its compliance questionnaires concerning his outside business activity and his arrangements with customers giving him the discretion to enter orders for their accounts. ([FINRA Case #2014041432401](#))

Gerard Chandler Gremillion ([CRD #1816351](#), Baton Rouge, Louisiana)

May 24, 2017 – Gremillion was named a respondent in a FINRA complaint alleging that he willfully failed to timely amend his Form U4 to report two federal tax liens filed against him. The complaint alleges that Gremillion willfully failed to timely amend his Form U4 to report his filing of a petition for bankruptcy and to report a judgment that was issued against him. ([FINRA Case #2015044600801](#))

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

**Adirondack Trading Group LLC (CRD
#103910)**
New Woodstock, New York
(May 2, 2017)

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

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

Ricardo Alonzo Jr. (CRD #6294694)
El Paso, Texas
(May 11, 2017)
FINRA Case #2016051908601

Jared Cody Artho (CRD #6249211)
College Station, Texas
(May 5, 2017)
FINRA Case #2016051271301

Michael W. Benjamin (CRD #6231794)
Abbeville, South Carolina
(May 5, 2017)
FINRA Case #2016051055801

David William Beutler (CRD #2245901)
Frankfort, Illinois
(May 15, 2017)
FINRA Case #2016051308601

Amanda Yvette Burnett (CRD #1622687)
Decatur, Georgia
(May 3, 2017)
FINRA Case #2016051430501

Joni Carrera (CRD #6502295)
Blue Springs, Missouri
(May 3, 2017)
FINRA Case #2016051263301

Charles Maxwell Cox (CRD #4916171)
Daniels, West Virginia
(May 15, 2017)
FINRA Case #2016051213501

Dagmawit Metty Fisseha (CRD #5958415)
New York, New York
(May 18, 2017)
FINRA Case #2016051656701

Ayrton Pierce Haddad (CRD #6125741)
Naples, Florida
(May 11, 2017)
FINRA Case #2016051413301

Scott William Hartman (CRD #6023625)
Dallas, Texas
(May 31, 2017)
FINRA Case #2016049225001

Chad Daniel Hornaday (CRD #2776038)
San Marcos, California
(May 1, 2017)
FINRA Case #2016051227501

John James Joseph Labrie (CRD #5910828)
Palmdale, California
(May 4, 2017)
FINRA Case #2016050544601

Derek James Longmuir (CRD #4604122)
Canal Winchester, Ohio
(May 5, 2017)
FINRA Case #2016049930101

Elijah Robert Maldonado (CRD #6102450)
Monticello, New York
(May 1, 2017)
FINRA Case #2016051211601

David K. Mallet (CRD #5145838)
North Little Rock, Arkansas
(May 8, 2017)
FINRA Case #2015047762601

Raymond Edward Martin (CRD #6537916)

Pinole, California
(May 1, 2017)
FINRA Case #2016051034401

Richard Muzquiz Jr. (CRD #5798714)

San Antonio, Texas
(May 10, 2017)
FINRA Case #2016050624401

Andrew Michael Pritchard (CRD #6408545)

Urbana, Illinois
(May 1, 2017)
FINRA Case #2016051007401

Michael Jason Ripper (CRD #6059694)

Memphis, Tennessee
(May 9, 2017)
FINRA Case #2015048052801

Teresita Santos Santos (CRD #3039781)

Buena Park, California
(May 18, 2017)
FINRA Case #2016051967801

Bimal Kishore Shah (CRD #2685812)

Boca Raton, Florida
(May 10, 2017)
FINRA Case #2015046882401

Cory Ward Taylor (CRD #4397111)

Nelsonville, Ohio
(May 11, 2017)
FINRA Case #2016051588301

Nathan Robert Trodahl (CRD #5749976)

Steilacoom, Washington
(May 5, 2017)
FINRA Case #2016049759901

Xin Wang (CRD #6572215)

Oxnard, CA
(May 11, 2017)
FINRA Case #2016051728301

Daniel L. Waters (CRD #5511601)

Cincinnati, Ohio
(May 3, 2017)
FINRA Case #2016051430601

Sherman Marcel White (CRD #3074692)

Glenwood, Illinois
(May 5, 2017)
FINRA Case #2016051595401

Brian Scot Winchester (CRD #2741090)

Tallahassee, Florida
(May 1, 2017)
FINRA Case #2016051379601

**Matthew Edward Witkowski
(CRD #6012093)**

Scottsdale, Arizona
(May 31, 2017)
FINRA Case #2016051751201

William Brian Wyman (CRD #4155621)

Palm Bay, Florida
(May 8, 2017)
FINRA Case #2016050213701

James Seokhoon Yoon (CRD #6336120)

Los Angeles, California
(May 4, 2017)
FINRA Case #2016050789101

**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.)

Kellye C. Allison (CRD #5265234)

Bowie, Maryland
(May 1, 2017)
FINRA Case #2016052648701

Timothy David Ballard (CRD #1073181)
Danville, California
(May 12, 2017)
FINRA Case #2016052555401

Damani A. Barham (CRD #6270752)
Van Nuys, California
(May 8, 2017)
FINRA Case #2017053148501

Kelley Macon Barham Jr. (CRD #6674648)
Newnan, Georgia
(May 5, 2017)
FINRA Case #2016052582901

Charles A. Black (CRD #4149535)
Cockeysville, MD
(May 19, 2017)
FINRA Case #2017053433601

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

Alexi Nahun Bustamante (CRD #6178423)
Miramar, Florida
(May 5, 2017)
FINRA Case #2017052961501

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

Salvatore Joseph Cipriano (CRD #6113362)
Staten Island, New York
(May 1, 2017)
FINRA Case #2016051008401

Darnell Anthony Deans (CRD #2200059)
Jersey City, New Jersey
(May 8, 2017)
FINRA Case #2015044374501

Lee Edward Farmer (CRD #4701310)
Las Vegas, Nevada
(May 19, 2017)
FINRA Case #2016051232301

Joshua Adam Frederico (CRD #6552547)
Lenexa, Kansas
(May 12, 2017)
FINRA Case #2017053172901

Kristopher A. Galicia Rodriguez (CRD #5985810)
New Windsor, New York
(May 26, 2017)
FINRA Case #2017053367801

Kevin Grewal (CRD #6618515)
Laguna Hills, California
(May 12, 2017)
FINRA Case #2017052922001

Fawad Hasan (CRD #5980481)
Fairfax, Virginia
(May 19, 2017)
FINRA Case #2017053170401

Derrick Franklin Howard (CRD #4730555)
New York, New York
(May 12, 2017)
FINRA Case #2017053222801

James Thomas Jurewicz (CRD #6003765)
Desert Hills, Arizona
(May 1, 2017 – May 9, 2017)
FINRA Case #2016051283801

Molly M. Jury (CRD #5497965)
Independence, Missouri
(May 8, 2017)
FINRA Case #2017052954201

Ronald Frances Konchalski (CRD #1277990)
Mahopac, New York
(May 8, 2017)
FINRA Case #2017053119801

Douglas Anthony Leone (CRD #2453784)

Sandy Hook, Connecticut
(May 30, 2017)
FINRA Case #2016052560001

Bryan Christopher Lightsey (CRD #4472767)

West Palm Beach, Florida
(May 18, 2017)
FINRA Case #2016048719201

Robert Kenneth Lindell (CRD #2550012)

Cloverdale, California
(May 11, 2017)
FINRA Case #2017053560001

Christian A. Paul (CRD #4325429)

Rowlett, Texas
(May 1, 2017)
FINRA Case #2016051795501

Craig Allan Price (CRD #2820176)

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

Gregory David Pryce (CRD #1270748)

New Rochelle, New York
(May 1, 2017)
FINRA Case # 2016052580701

Ernest Julius Romer III (CRD #2311741)

Shelby Township, Michigan
(May 8, 2017)
FINRA Case #2017053029101

Paul Edward Seaward (CRD #6364508)

New Orleans, Louisiana
(May 5, 2017)
FINRA Case #2017052801301

Mark Eliot Silverman (CRD #1942866)

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

Jason Soricelli (CRD #6719083)

Selden, New York
(May 26, 2017)
FINRA Case #2017053250601

Brian Eugene Sturges (CRD #3017795)

Newbury Park, California
(May 26, 2017)
FINRA Case #2016051226101

Jordan Robert Tait (CRD #6368916)

Rexburg, Idaho
(May 15, 2017)
FINRA Case #2016051547901

Bethany Chanel Thompson (CRD #6633354)

Lexington, Kentucky
(May 12, 2017)
FINRA Case #2017053012401

Christopher John Tiernan (CRD #5095130)

Marshalltown, Iowa
(May 18, 2017)
FINRA Case #2016050691901

Juan Ramon Uriarte Jr. (CRD #6619023)

Harbor City, California
(May 8, 2017)
FINRA Case #2017053080101

Rosa Alicia Vazquez (CRD #1710382)

Los Angeles, California
(May 30, 2017)
FINRA Case #2015047391901

Hung Quoc Vu (CRD #6051317)

El Cerrito, California
(May 12, 2017)
FINRA Case #2016052566201

Julie Ann Wells (CRD #5479320)

Bakersfield, California
(May 8, 2017)
FINRA Case #2017053197401

Becky Woo (CRD #4022781)
New York, New York
(May 5, 2017)
FINRA Case #2017052759301

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

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

Zachary T. Bader (CRD #5902742)
West Babylon, New York
(May 23, 2017)
FINRA Arbitration Case #15-00376

Thomas Michael DiLello Jr. (CRD #1296934)
Naples, Florida
(May 3, 2017)
FINRA Arbitration Case #16-00385

Niaz Elmazi (CRD #2992689)
Brooklyn, New York
(May 5, 2017)
FINRA Arbitration Case #16-00350

James Benjamin Fellus (CRD #1224870)
Dix Hills, New York
(May 8, 2017)
FINRA Arbitration Case #12-04000

Nancy Putnam Griffith (CRD #1321918)
Winston-Salem, North Carolina
(May 8, 2017)
FINRA Arbitration Case #16-02249

Brian Joseph Hagerman (CRD #2115892)
New York, New York
(May 5, 2017)
FINRA Arbitration Case #16-00350

Justin Linwood Hendrick (CRD #5787439)
Baskerville, Virginia
(May 3, 2017)
FINRA Arbitration Case #15-03344

Robert Joseph Kerrigan Sr. (CRD #268516)
Scottsdale, Arizona
(May 4, 2017)
FINRA Arbitration Case #16-01607

Brent Morgan Porges (CRD #4002626)
Garden City, New York
(May 23, 2017)
FINRA Arbitration Case #15-00376

Scott Paul Strochak (CRD #1170464)
Boynton Beach, Florida
(February 16, 2017 – May 31, 2017)
FINRA Arbitration Case #14-03127

Scott Paul Strochak (CRD #1170464)
Boynton Beach, Florida
(August 23, 2016 – May 31, 2017)
FINRA Arbitration Case #15-01256