

Disciplinary and Other FINRA Actions

Firm Fined, Individual Sanctioned

Three Brothers Trading, LLC dba Alternative Execution Group [CRD®#167830](#), Mamaroneck, New York) and Richard Samuel Alter ([CRD #2697740](#), Mamaroneck, New York)

April 9, 2021 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured and fined \$100,000 and Alter was fined \$15,000, suspended from association with any FINRA® member in any principal capacity for two months and shall complete 16 hours of anti-money laundering (AML) related continuing education. Without admitting or denying the findings, the firm and Alter consented to the sanctions and to the entry of findings that they failed to establish and implement an AML compliance program reasonably designed to detect and cause the reporting of potentially suspicious transactions. The findings stated that Alter knew the firm’s anti-money laundering compliance officer (AMLCO) lacked AML oversight experience relevant to his duties and did not take corrective action after becoming aware that the AMLCO had not performed his AML duties in a reasonable manner. The firm’s AML procedures did not provide meaningful guidance regarding how the AMLCO was to identify or review red flags specific to the customer account business. The firm did not use any exception reports or automated tools to monitor customer account activity for suspicious transactions, including customer transactions in microcap securities. The firm’s review for potentially suspicious transactions was limited to the AMLCO’s manual review of transactions. This manual review was unreasonable given that the AMLCO had no experience with customer account business and no training in reviewing for AML red flags in customer accounts. The firm’s failure to implement an AML program reasonably tailored to its business line resulted in the firm failing to identify or investigate potentially suspicious transactions. In addition, the firm’s clearing firm contacted it about suspicious transactions that had not been flagged by the firm. Nonetheless, Alter did not cause the firm to tailor its AML procedures to the firm’s business line or promptly act to strengthen the firm’s AML program and procedures. The findings also stated that the firm and Alter failed to establish and maintain a supervisory system reasonably designed to avoid becoming a participant in the unregistered sale of securities. Pursuant to the firm’s Written Supervisory Procedures (WSPs), Alter delegated the responsibility for reviewing and approving microcap stock deposits and associated documentation to ensure compliance with applicable securities laws. The AMLCO failed to ensure that reasonable inquiries were conducted to determine whether securities deposited into customer accounts for resale were registered or exempt from registration. The AMLCO repeatedly permitted deposits and resales of microcap securities despite missing documentation, such as proof of payment, appropriate legal opinions and other documents critical to determining whether microcap securities deposited were freely tradeable. In an internal memo, Alter detailed the AMLCO’s failings but did not take any action to improve the firm’s unreasonable supervisory system.

The suspension is in effect from May 3, 2021, through July 2, 2021. ([FINRA Case #2018056458301](#))

Reported for June 2021

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

Firms Fined

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

April 5, 2021 – An AWC was issued in which the firm was censured and fined \$345,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system, including WSPs, reasonably designed to monitor its employees' outside brokerage accounts. The findings stated that the firm had no automated system for tracking whether new hires made the required disclosures, firm employees were not required to certify on an annual basis that they had disclosed all of their outside brokerage accounts and the firm's personal account trading team often worked from incomplete or inaccurate new-hire lists, which were then used by the firm to notify employees of their disclosure obligations. The firm's supervisory deficiencies led to its failure to timely monitor thousands of employees' outside brokerage accounts for compliance with the firm's trading restrictions designed to identify self-dealing and other potentially deceptive trading practices. ([FINRA Case #2018060780401](#))

Cabot Lodge Securities LLC ([CRD #159712](#), New York, New York)

April 6, 2021 – An Order Accepting Offer of Settlement was issued in which the firm was censured, fined \$270,000, ordered to pay \$75,010 in restitution to a customer and required to review and revise its supervisory systems and procedures as they relate to organizational and offering (O&O) expenses for the public offering of a real estate investment trust (REIT). Without admitting or denying the allegations, the firm consented to the sanctions and to the entry of findings that it participated in an initial public offering (IPO) of a REIT in which the amount of O&O expenses exceeded fair and reasonable limits. The findings stated that the firm sought to become dealer manager for the REIT's IPO nine months after it launched. At that time, O&O expenses well exceeded reasonable limits, and the firm submitted a plan to FINRA to address them. However, firm personnel ignored their duty to adopt controls and to monitor O&O expenses. The O&O expenses and the underwriting compensation for the IPO were \$14,019,027 and \$7,652,046, respectively, which exceeded the 15 percent and 10 percent caps and were unfair and unreasonable. The findings also stated that the firm participated in the IPO even though restricted shares of the REIT's common stock awarded to persons related to the firm were not disclosed in certain offering prospectuses as items of underwriting compensation, and the firm did not have reasonable grounds to believe that such items were disclosed. The findings also included that the firm failed to establish, maintain and enforce a supervisory system, including written procedures, that was reasonably designed to ensure compliance with FINRA's rules prohibiting the firm's participation in a REIT offering in which excessive O&O expenses were incurred. The firm's WSPs did not provide any processes or procedures for monitoring the O&O expenses, underwriting compensation, or gross proceeds while the offering remained open, nor did they set forth any steps for its investment banking manager to take should O&O expenses and underwriting compensation exceed FINRA's regulatory limits at the close of

an offering. Although the firm represented that it had developed detailed internal controls to monitor for excessive O&O expenses and underwriting compensation, those controls were never implemented or incorporated into the firm's WSPs. In addition, the firm failed to take steps to determine whether the O&O expenses for the IPO were excessive. The investment banking manager failed to review prospectuses to ensure that any restricted share compensation had been disclosed. Nor did the investment banking manager, or anyone else at the firm, take steps to determine whether other persons associated with the firm received stock awards and, if so, whether they were disclosed in the IPO prospectuses. FINRA found that the firm did not have a reasonable basis to believe that its recommendation that an elderly customer invest in the REIT was suitable based upon the customer's investment profile. The firm recommended that the customer sell his municipal bond fund holdings and invest \$75,100 of the proceeds in the REIT, a highly illiquid non-traded REIT with no operating history and significant distribution risk. The customer's investment in the REIT raised his concentration in REITs to 57 percent of his liquid net worth, which was unreasonably high for him. In light of the customer's investment experience, existing holdings, risk tolerance and investment objectives, the REIT was not a suitable recommendation for him. ([FINRA Case #2014041541401](#))

Dawson James Securities, Inc. ([CRD #130645](#), Boca Raton, Florida)

April 6, 2021 – An AWC was issued in which the firm was censured, fined \$20,000 and ordered to pay \$7,083.93, plus interest, in restitution to customers. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it charged customers \$7,083.93 in excessive commissions ranging from approximately five percent to 66 percent of the transactions' principal values. ([FINRA Case #2017052790301](#))

Independent Financial Group, LLC ([CRD #7717](#), San Diego, California)

April 8, 2021 – An AWC was issued in which the firm was censured, fined \$200,000 and required to implement supervisory systems and WSPs reasonably designed to address all areas of conduct identified in the AWC and achieve compliance with suitability requirements for alternative investments. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to reasonably supervise a registered representative's recommendations of alternative investments to customers, including senior customers, and failed to reasonably investigate red flags. The findings stated that the representative solicited dozens of customers who were retiring or had retired to liquidate their 401(k) and pension plans and invest the proceeds with him at the firm. The representative then recommended that many of these customers concentrate their retirement assets in non-traded REITs and structured notes. Many of the customers had little or no investment experience and had never purchased alternative investments. The representative recommended that his customers make hundreds of investments in non-traded REITs and structured products. The representative's supervisors observed and reported certain irregularities and concerns relating to his recommendations. There were discrepancies with the representative's customers' new account documents, suitability

questionnaires and questionable asset allocations. In addition, numerous complaints and customer arbitrations were filed against the representative. Although these events resulted in the firm twice implementing a heightened supervision plan for the representative, neither plan was reasonably executed. One of the representative's supervisors documented issues relating to his misconduct in his notes, which he shared with others at the firm including individuals within its compliance department. The supervisor's notes highlighted concerns such as the use of corrective tape and liquid paper on account documents, trades being potentially mismarked as unsolicited, customer signatures that did not match, questionable changes to customer risk tolerances and potentially unsubstantiated increases in a customer's net worth. Notwithstanding the identification of these issues, the firm permitted the representative to continue to sell non-traded REITs and structured products to his customers. Later, another supervisor began supervising the representative. However, the second supervisor was unaware of the representative's prior pattern of paperwork irregularities and his growing number of customer complaints and arbitrations. The second supervisor also was responsible for implementing the representative's second plan of heightened supervision that the firm imposed due to the filing of two customer arbitrations against the representative. Although the second supervisor would sometimes raise questions related to incomplete or stale paperwork or the suitability of certain of the representative's recommended transactions, the issues the supervisor raised were typically resolved by gathering or amending transaction documentation and not by reasonably acting upon the red flags suggesting the recommended sales were potentially unsuitable. ([FINRA Case #2018059223401](#))

CF Secured, LLC ([CRD #285841](#), New York, New York)

April 13, 2021 – An AWC was issued in which the firm was censured and fined \$125,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to accurately calculate its required customer reserve on three separate occasions, resulting in nine hindsight deficiencies ranging from approximately \$4 million to \$29.8 million and totaling approximately \$126 million. The findings stated that six of the hindsight deficiencies resulted from inaccurate pricing from a third-party industry pricing source for Treasury Inflation-Protected Securities (TIPS), which were used as collateral in the margin account of a firm customer. Because the value of the pledged collateral was understated due to the mispriced TIPS, the credit applied by the firm when calculating its reserve formula was also understated. Two of the hindsight deficiencies occurred due to an overdraft in a foreign bank account the firm erroneously excluded from its reserve formula computation. The ninth hindsight deficiency resulted from the firm's inadvertent deposit of securities not eligible for use as collateral into its reserve account. The findings also stated that firm's failure to accurately calculate its customer reserve obligations caused it to maintain inaccurate books and records and to make Financial and Operational Combined Uniform Single (FOCUS) filings inaccurately reporting its customer reserve. The findings also included that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to ensure its compliance with

customer reserve requirements. The firm had no supervisory system or WSPs designed to ensure that TIPS pricing was accurate or that any errors in TIPS pricing would be escalated to allow the firm to investigate and assess the impact on its business activities. In addition, the firm had no supervisory system or WSPs designed to ensure that overdrawn bank balances were identified and captured for the purposes of its customer reserve calculation or that only eligible securities were used as collateral for purposes of satisfying its customer reserve requirement. Ultimately, the firm took prompt remedial steps to improve its supervisory systems and WSPs in response to the hindsight deficiencies. ([FINRA Case #2019063767301](#))

NatAlliance Securities, LLC ([CRD #39455](#), Austin, Texas)

April 13, 2021 – An AWC was issued in which the firm was censured, fined \$80,000 and required to revise its supervisory system and WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it engaged in a pattern and practice of distributing or publishing unsupported throw-away bids in illiquid municipal securities that were not based on the firm’s best judgment of the fair market value (FMV) of the securities. The findings stated that shortly after responding to requests for quotes at prices well below FMV of the bonds, sometimes in as few as seven minutes after learning that its throw-away bid had been accepted, the firm re-offered the bonds at significantly higher prices that were consistent with independent market activity. No market news or other relevant event justified the spread between the firm’s bid and re-offer prices. The firm’s failure to use its best judgment in determining the FMV of the bonds is further evidenced by the firm’s end-of-day inventory valuations for the municipal bonds held overnight. Those valuations differed meaningfully from the firm’s throw-away bid priced but aligned closely with previously reported market pricing and subsequent re-offer and sale prices. The firm’s practice of publishing throw-away bids in municipal securities, which resulted in transactions away from those securities’ FMV, potentially created misperceptions in the municipal marketplace. The findings also stated that the firm failed to establish, maintain and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with Municipal Securities Rulemaking Board (MSRB) Rule G-13. The firm also failed to reasonably supervise its municipal securities traders with a view to preventing their distribution and publication of throw-away bids. The firm had no WSPs that referenced MSRB Rule G-13, nor did it conduct any supervisory reviews designed to ensure compliance with the rule. In addition, the WSPS neither identified the person responsible for reviewing quotations in municipal securities nor described the steps to be taken in conducting such reviews. In fact, the firm acknowledged that it conducted no reviews of traders’ quotations. Later, the firm implemented WSPs and reviews to address MSRB Rule G-13 that were unreasonably limited in scope in that they encompassed only executed trades and contained no reviews or procedures for distributed/published quotations that do not result in executions. The lack of supervision created an environment that enabled firm traders to engage in a pattern and practice of distributing and publishing unsupported throw-away bids in multiple illiquid municipal securities, which went unchecked for years. ([FINRA Case #2016052118001](#))

Score Priority Corp. ([CRD #11826](#), New York, New York)

April 14, 2021 – An AWC was issued in which the firm was censured, fined \$250,000 and required to retain an independent consultant to conduct a comprehensive review of the reasonableness of the firm’s policies, systems, procedures (written and otherwise) and training relating to compliance with FINRA Rule 3310 and the requirements of the Bank Secrecy Act and the regulations promulgated thereunder. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and implement an AML program that could reasonably be expected to detect and cause the reporting of suspicious transactions. The findings stated that the firm lacked reasonable written AML procedures for surveillance of potentially suspicious trading and money movements in customer accounts. Although the firm’s written procedures required the use and review of exception reports to assist with the identification of red flags for suspicious trading and suspicious money movements, they did not identify any exception reports that the firm would use and did not describe how the supervisors should use them. The firm’s written procedures stated that the firm would perform additional monitoring of accounts in which suspicious trading was identified but did not describe steps for performing that monitoring or state how often the monitoring should occur. The written procedures also required that the firm periodically monitor transaction activity in foreign accounts but did not describe the frequency or the manner in which such monitoring should occur. In addition, the firm relied almost exclusively on a manual review of the daily trade blotter to identify suspicious trading, even though it did not reflect patterns of trading across accounts or across multiple days. The firm did not regularly use any exception reports or automated tools to monitor customer transactions for suspicious activity. This manual review was also unreasonable given the volume and complexity of the trading by the firm’s customers. Although the firm implemented an automated surveillance system from a third-party vendor, it failed to timely review some alerts generated by the new system. In addition, the firm did not identify accounts that had high levels of money movements with very low levels of securities transactions. Furthermore, the firm had a practice of failing to reasonably respond to AML red flags. The firm’s practice was to observe whether suspicious trading continued over a period of weeks or months, rather than timely consider filing a Suspicious Activity Report (SAR). Additionally, the firm’s AML procedure did not contain any procedures about documenting any analysis or records regarding the investigation of potentially suspicious activity and the firm did not document the findings of its investigations. The findings also stated that the firm failed to establish and implement a reasonable customer identification program with regard to foreign retail customers and failed to conduct due diligence on foreign financial institutions. The firm’s procedures did not describe the methods the firm would use to verify the information provided by its customers, including its foreign customers. The firm’s procedures also failed to describe the documents required to be collected from the firm’s foreign customers, or how the firm would address red flags during the account opening process. The firm’s AML procedures stated that specific enhanced due diligence and scrutiny must be applied to correspondent accounts for certain foreign financial institutions, but failed to describe the due diligence or scrutiny required. ([FINRA Case #2020067466901](#))

Solium Financial Services LLC ([CRD #147933](#), Woodcliff Lake, New Jersey)

April 20, 2021 – An AWC was issued in which the firm was censured and fined \$70,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to transmit reportable order events to the Order Audit Trail System (OATS™). The findings stated that the firm routed orders to multiple broker-dealers but failed to report any reportable order events to OATS. The firm believed, incorrectly, that because each corporate client's orders were routed exclusively to a single broker-dealer, the firm would not be considered a reporting member. The firm nonetheless routed orders to multiple broker-dealers and thus was not excluded from the definition of a reporting member. The findings also stated that the firm did not have a system or written procedures in place that were reasonably designed to achieve compliance with its OATS reporting obligations. ([FINRA Case #2019063386201](#))

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

April 22, 2021 – An AWC was issued in which the firm was censured, fined \$525,000 and required to retain an independent consultant to conduct a comprehensive review of the adequacy of its procedures, systems and controls to track and report cost basis information relating to any updates and changes made to cost basis information for customer securities transactions. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it negligently misrepresented cost basis information on customer account statements and Forms 1099 and made and preserved inaccurate customer account statements. The findings stated that the individual who supervised the group that operated the firm's database system in which it maintained cost basis information, as well as information about the taxable gain or loss resulting from its customers' securities transactions, did not understand the regulations applicable to post-settlement cost basis changes. As a result, the firm regularly granted requests to change cost basis information in the case of partial liquidations of securities positions, even when requests to change the tax lot sold were made after the settlement date. Each such instance resulted in the firm issuing at least one Form 1099 in which it misrepresented the adjusted basis and also resulted in the firm sending to the customer one or more monthly account statements in which it misreported adjusted basis and related realized and unrealized gain or loss information. Emails and documents pertaining to these changes, where they exist, showed that the firm's registered representatives and other operations personnel, for the most part, likewise lacked a proper understanding of the regulations applicable to post-settlement cost basis changes. The firm's database system that was supposed to have kept track of manual changes to cost basis lacked basic information about cost basis changes, including the reason for the changes. This database system also contained fields that could be overwritten after the date of the change. As a result, there were numerous instances in which information concerning manual cost basis changes had been overwritten and could not be retrieved. ([FINRA Case #2018057952801](#))

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

April 23, 2021 – An AWC was issued in which the firm was censured and fined \$45,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to immediately display, route, execute, or cancel sampled exceptions of customer limit orders, including orders that would have locked or crossed a displayed quote. The findings stated that the firm operated a trading desk where a group of traders reviewed and handled some order flow manually, resulting in delays of certain over-the-counter (OTC) orders. The findings also stated that the firm's supervisory system was not reasonably designed to achieve compliance with limit order display obligations. Although the firm utilized exception reports that identified limit orders that were displayed more than 30 seconds after the order became eligible, its supervisory reviews only focused on whether an exception involved a financial disadvantage to a client, rather than simply whether the exception indicated a violation of FINRA Rule 6460. In addition, the firm used surveillance reports that assessed amended orders for compliance with FINRA Rule 6460 based on the time the amendment was accepted by the firm, instead of the time of the actual amendment request by the client. ([FINRA Case #2018058600001](#))

The O.N. Equity Sales Company ([CRD #2936](#), Cincinnati, Ohio)

April 30, 2021 – An AWC was issued in which the firm was censured, fined \$275,000 and ordered to pay \$1,001,141.86, inclusive of interest, in restitution to customers. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system, and failed to establish, maintain and enforce WSPs, that were reasonably designed to supervise the sale of variable annuities. The findings stated that as a result, the firm failed to detect that a registered representative recommended an unsuitable investment strategy involving the liquidation of retirement funds to purchase variable annuities followed by the short-term withdrawal of funds from those annuities to purchase whole life insurance policies. The firm did not provide any guidance to reviewing principals about what they should do if specific special circumstances were present when reviewing a transaction, and it did not have any monitoring system to review for trends or patterns suggesting that representatives were disproportionately recommending transactions involving one or more of these special circumstances. As a result, reviewing principals failed to detect or take action when the representative's recommended variable annuity sales met several of these special circumstances or revealed other red flags of possible unsuitability. The representative's recommendations that his customers take withdrawals from their variable annuities shortly after they were purchased caused them to incur significant surrender charges, tax penalties and additional charges. The findings also included that variable annuity issuers contacted the firm or its parent company on multiple occasions and raised concerns about the surrender charges being incurred by the representative's customers. However, the firm failed to conduct a reasonable investigation in response to these inquiries. The firm's inaction allowed the representative's unsuitable recommendations to continue and additional customers to be harmed. ([FINRA Case #2018059035703](#))

Individuals Barred

Gregory Walter McCloskey ([CRD #2820510](#), Costa Mesa, California)

April 7, 2021 – An Order Accepting Offer of Settlement was issued in which McCloskey was barred from association with any FINRA member in all capacities. Without admitting or denying the allegations, McCloskey consented to the sanction and to the entry of findings that he participated in undisclosed private securities transactions involving an elderly customer, who was a retired widow, and then sought to conceal these transactions from his member firms and FINRA. The findings stated that McCloskey solicited the customer to purchase \$20,000 in shares of stock of a technology company that purportedly developed a wireless network system to control lighting for energy conservation. When McCloskey left his firm and joined a new firm, the customer followed him. The customer's investment in the company eventually surfaced because she sent a written complaint about her investment to McCloskey at his new firm business address. The customer's complaint prompted McCloskey to participate in a second private securities transaction. To appease the customer and further attempt to conceal his misconduct, McCloskey arranged to have his sister purchase her investment in the company's stock. McCloskey failed to timely disclose the written customer complaint and as a result, the new firm was unable to timely report the complaint to FINRA. The findings also stated that McCloskey provided false information and false on-the-record testimony to FINRA. In connection with an investigation that led to a previous AWC for McCloskey, FINRA requested that McCloskey provide a list of all customers of his previous firm who invested in the company, whether or not he participated in the purchase. McCloskey failed to identify the elderly customer as one of those customers. During subsequent on-the-record testimony to FINRA, McCloskey again omitted the same customer. The findings also included that McCloskey attempted to obstruct FINRA's investigation by urging the customer to create and sign a false written statement indicating that he did not participate in any manner in her investment in the company's stock. In exchange, McCloskey offered to let the customer keep the \$20,000 she received from his sister in the second private securities transaction, and to also keep her shares of stock in the company. The customer refused to agree to McCloskey's proposal. McCloskey hid his participation in the customer's private securities transactions in the company from both of his firms by using an unapproved email account to communicate with the customer about her investment. By using this unapproved email account, McCloskey precluded his firms from reviewing and preserving the communications McCloskey had with the customer and from complying with the firms' books and records obligations. McCloskey also concealed his misconduct by providing false information to one of his firms on an annual compliance questionnaire and to FINRA on a personal activity questionnaire. ([FINRA Case #2018059242801](#))

Evan A. Schottenstein ([CRD #4929175](#), New York, New York)

April 7, 2021 – An AWC was issued in which Schottenstein was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Schottenstein consented to the sanction and to the entry of findings that he refused to provide on-the-record testimony requested by FINRA in connection with its investigation into the issues raised in a Uniform Termination Notice for Securities Industry Registration (Form U5) filed by his former member in which he was terminated for concerns relating to trading activity in the account of a family member and the accuracy of the records regarding the same. ([FINRA Case #2019063430401](#))

Jared Evan Ailstock ([CRD #5360407](#), New York, New York)

April 8, 2021 – An AWC was issued in which Ailstock was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Ailstock consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with an investigation into whether he submitted inaccurate business expense reimbursement requests to his member firm. ([FINRA Case #2019064916001](#))

Joia Evans ([CRD #6328012](#), Bethlehem, Georgia)

April 9, 2021 – An AWC was issued in which Evans was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Evan consented to the sanction and to the entry of findings that she refused to provide information and documents that were requested by FINRA in connection with its investigation concerning her potential participation in outside business activities (OBAs) while associated with her former member firm. ([FINRA Case #2020069007201](#))

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

April 9, 2021 - The Securities and Exchange Commission (SEC) remanded a decision back to FINRA in which Saliba was barred from association with any FINRA member in all capacities. The SEC decision affirmed, in part, the findings of violations and remanded, in part, the proceeding back to the National Adjudicatory Counsel (NAC). The SEC affirmed FINRA's finding that Saliba acted as a principal while he was restricted from doing so, thereby causing his member firm to violate interim restrictions imposed by FINRA, and sustained the bar imposed for this misconduct. The SEC also affirmed FINRA's findings and sustained the bar imposed on Saliba for participating in an effort to obtain falsified compliance records from associated persons and provide them to FINRA. The SEC also affirmed FINRA's findings that Saliba provided false testimony and failed to produce his work computers as requested by FINRA. The SEC remanded, however, with respect to FINRA's finding that Saliba also provided falsified compliance memoranda to FINRA. The SEC remanded for further explanation of the basis for FINRA's finding of violation with respect to the compliance memoranda, and for reconsideration of the unitary sanction imposed for Saliba's violations.

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

David Brian Zuber ([CRD #3239595](#), Broadview Heights, Ohio)

April 9, 2021 – An AWC was issued in which Zuber was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Zuber consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with an investigation into potential undisclosed OBAs and private securities transactions. ([FINRA Case #2019064979301](#))

Tonia Renee Berg ([CRD #6695171](#)), Farmington, Missouri)

April 12, 2021 – An AWC was issued in which Berg was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Berg consented to the sanction and to the entry of findings that she converted approximately \$44,200 from her mother's brokerage account through three wire transfers. The findings stated that Berg wired a total of approximately \$9,200 from her mother's brokerage account to a bank account of a third-party individual without her mother's knowledge or consent. Berg also sold approximately \$35,000 of securities in her mother's retirement account, transferred the proceeds to her mother's brokerage account, and wired the proceeds in two separate wire transfers to a bank account of a third-party individual without her mother's authorization or consent. The findings also stated that in order to effect the two additional wire transfers from her mother's brokerage account, Berg forged her mother's signature on client authorization forms without her mother's knowledge or consent. ([FINRA Case #2021069510901](#))

Robert Juan Escobio ([CRD #703813](#), Coral Gables, Florida)

April 12, 2021 – An NAC decision became final in which Escobio was barred from association with any FINRA member in all capacities. The sanction was based on findings that Escobio failed to comply with requests for documents and information and to appear for on-the-record testimony in connection with FINRA's investigation into whether he continued to associate with a member firm while statutorily disqualified and following denial by the NAC of a Membership Continuance Application (MC-400) submitted by the firm. ([FINRA Case #2018059545201](#))

Michael Joseph Dellaporta Jr. ([CRD #500214](#), Ft. Lauderdale, Florida)

April 14, 2021 – An AWC was issued in which Dellaporta was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Dellaporta consented to the sanction and to the entry of findings that he refused to produce information and documents requested by FINRA in connection with its investigation into his involvement in an OBA. ([FINRA Case #2020069029001](#))

Gilbert W. Cox ([CRD #2973703](#), Bow, New Hampshire)

April 19, 2021 – An AWC was issued in which Cox was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Cox consented to the sanction and to the entry of findings that he refused to provide information and

documents requested by FINRA in connection with an investigation into the circumstances giving rise to his termination from his member firm. The findings stated that the firm submitted a Form U5 stating that Cox was discharged for failing to cooperate with an internal employment investigation seeking information about his OBAs. ([FINRA Case #2020066700601](#))

John Lee Scott ([CRD #2407610](#), Scottsdale, Arizona)

April 22, 2021 – An AWC was issued in which Scott was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Scott consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with an investigation into potential undisclosed OBAs and private securities transactions. ([FINRA Case #2019064978901](#))

Matthew Angelo Siliato ([CRD #5062153](#), Staten Island, New York)

April 22, 2021 – An AWC was issued in which Siliato was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Siliato consented to the sanction and to the entry of findings that he refused to provide on-the-record testimony requested by FINRA in connection with its investigation into his potentially excessive and unauthorized trading in a customer's account. ([FINRA Case #2019063283801](#))

Sun Hyung Kim ([CRD #2053243](#), Northridge, California)

April 26, 2021 – An AWC was issued in which Kim was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Kim consented to the sanction and to the entry of findings that he effected 162 unauthorized transactions in the brokerage accounts of a customer. The findings stated that during the course of its investigation, FINRA asked Kim whether the customer authorized the transactions at issue. In response, Kim twice falsely stated that the customer provided authorization. The findings also stated that Kim caused his member firm to have inaccurate books and records by mismarking trades in the accounts of the customer as “unsolicited.” ([FINRA Case #2019064935601](#))

David Martin Martirosian ([CRD #5261144](#), Amityville, New York)

April 26, 2021 – An AWC was issued in which Martirosian was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Martirosian consented to the sanction and to the entry of findings that he refused to provide information and documents requested by FINRA in connection with its investigation into his potentially unsuitable and excessive trading and his potential participation in an undisclosed private securities transaction. ([FINRA Case #2019063251701](#))

Jason Edward Schwartz ([CRD #2798141](#), Richardson, Texas)

April 27, 2021 – An Order Accepting Offer of Settlement was issued in which Schwartz was barred from association with any FINRA member in all capacities. Without admitting or denying the allegations, Schwartz consented to the sanction and to the entry of findings that he converted \$32,400 from his member firm by submitting falsified expense reports to it seeking reimbursement for expenses he never incurred. The findings stated that Schwartz entered into agreements with a local sports team to pay \$16,000 per season (or \$32,000 total) for the use of a suite at a certain number of games each season. Instead of submitting for reimbursement only the \$32,000 he paid for tickets for those seasons, Schwartz requested and obtained false invoices inflating the expense and misrepresenting that he had paid the expenses. Using the false invoices, Schwartz requested and received a total of \$64,400 in reimbursements from the firm. Schwartz retained and converted the \$32,400 the firm paid him in excess of his actual expenses, returning only part after his misconduct was discovered. The findings also stated that Schwartz provided false information to his firm by intentionally submitting or causing the submission of false reports seeking reimbursement of expenses that he had purportedly incurred. In addition, to concealing his misconduct, Schwartz lied to his manager about his payment for these purported expenses. The findings also included that Schwartz caused his firm to maintain inaccurate books and records by submitting or causing the submission of the expense reports supported by the false invoices. FINRA found that Schwartz gave false on-the-record testimony regarding cash payments made to the sports team and why the sports team invoices sent to him were marked paid, even though Schwartz had not paid such expenses. Schwartz first testified that he never paid the sports team in cash. When confronted with prior statements to the firm that he had paid the sports team in cash for certain game tickets, Schwartz then falsely testified that he paid the sports team \$15,600 for season games in \$500 to \$600 cash payments prior to games. Schwartz did not, however, pay the sports team in cash for any game tickets for which he sought reimbursement. Schwartz also falsely testified that he did not know why invoices sent to him from the sports team were marked paid, claiming that the sports team just sent them that way at the beginning of the year. The sports team sent him invoices marked paid when he had not yet paid for the tickets in those invoices because, as Schwartz knew, he asked the team to do so. ([FINRA Case #2017056698601](#))

Gregory Jon Mancuso ([CRD #5681691](#), Austin, Texas)

April 28, 2021 – An Office of Hearing Officers (OHO) decision became final in which Mancuso was barred from association with any FINRA member in all capacities. The sanction was based on the findings that Mancuso provided false testimony to FINRA during an on-the-record interview. The findings stated that Mancuso falsely denied any involvement in two senior customers' initial transfers of funds to a Swiss asset management firm. Mancuso also testified he did not know that the first customer agreed to lend \$50,000 to a Delaware limited partnership. Mancuso knew about the loan because he acted as the sole connection between the customers and the Swiss and Delaware

companies. Mancuso also falsely asserted during his testimony that he did not know how the first customer became acquainted with the Swiss company. Mancuso facilitated the first customer's contact with the Swiss company, and he knew about the transfers of funds the customers made to the Swiss company. In addition, Mancuso facilitated the transfer of more funds by the customers to the Swiss company and falsely testified about it to FINRA. The customers continued wiring a significant portion of their life savings to the Swiss company while Mancuso was working there as a consultant. All told, the customers wired \$603,000 from their joint bank accounts to the Swiss company. Throughout his testimony, Mancuso repeatedly denied having any involvement in these transfers or even knowing that they occurred. Mancuso facilitated at least three of these transfers. In addition, Mancuso expressly acknowledged to FINRA in a voicemail that he knew that the first customer had investments through a non-U.S. investment firm that he was with that was regulated through Switzerland. After FINRA confronted Mancuso with this statement during his testimony, he falsely asserted that he couldn't remember knowing the first customer had anything at the Swiss company and claimed that he jumbled his words. The findings also stated that Mancuso falsely testified that he was unaware that the first customer had liquidated her variable annuity. Mancuso directly facilitated the liquidation of the customers' variable annuities by making several telephone calls and sending emails to ensure that the annuities were liquidated and the proceeds immediately transferred to the Swiss company. Mancuso also facilitated the liquidations by making misrepresentations to the financial institution. Mancuso called the financial institution and falsely stated that the first customer was having an emergency and needed to make a withdrawal. Similarly, Mancuso called the financial institution and falsely claimed that the second customer had to liquidate her variable annuity because she was in the hospital and needed the funds. Furthermore, Mancuso falsely testified about whether he had tried to hire an attorney to change the first customer's power of attorney. ([FINRA Case #2020066608501](#))

Individuals Suspended

Raymond Alagao Velasco Sr. ([CRD #4867519](#), Naperville, Illinois)

April 1, 2021 – An AWC was issued in which Velasco was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for two years. Without admitting or denying the findings, Velasco consented to the sanctions and to the entry of findings that he submitted to his member firm termination letters that falsely represented that his customers were separated from their employment, inducing the firm holding the customers' retirement accounts to waive approximately \$10,000 in surrender fees. The findings stated that Velasco sought to transfer individual retirement accounts (IRAs) holding variable annuities for customers who all worked for the same business. As part of the transfer, the customers sought to surrender the variable annuities and would therefore incur a surrender fee unless one of several conditions applied,

including that the customers had left their employment after five years of issuance of the annuity. To help the customers avoid paying surrender fees, Velasco drafted a termination letter for each customer and submitted the letters to his firm to facilitate the transfer of the accounts. The findings also stated that Velasco initially gave false on-the-record testimony to FINRA regarding the termination letters. However, at the conclusion of his testimony, Velasco corrected his prior testimony and admitted that he falsified the termination letters to help his customers avoid paying surrender fees.

The suspension is in effect from April 19, 2021, through April 18, 2023. ([FINRA Case #2019062922001](#))

Allen Bernard Holeman (CRD #1060910, Monroe, New Jersey)

April 5, 2021 – A U.S. Court of Appeals for the District of Columbia Circuit’s denial of Holeman’s petition for review became final in which Holeman was fined \$20,000 and suspended from association with any FINRA member in all capacities for four months. The SEC affirmed the findings and sustained the sanctions imposed by the NAC. The sanctions were based on findings that Holeman willfully failed to timely amend his Uniform Application for Securities Industry Registration or Transfer (Form U4) to report federal tax liens totaling over \$116,000. The findings stated that Holeman completed and submitted to his member firm an annual compliance certification in which he falsely stated he had no unsatisfied liens against him. Holeman falsely stated that he had no tax liens even though he had two outstanding tax liens at the time and FINRA had contacted him about the tax liens two months earlier. Holeman disclosed the liens on his Form U4 only after FINRA began investigating the liens, and even then, he waited six months to make the disclosures. FINRA also found that Holeman was subject to statutory disqualification because it found that he acted willfully and that the information that he failed to disclose was material.

The suspension is in effect from May 3, 2021, through September 2, 2021. ([FINRA Case #2014043001601](#))

Valerie Kaye Ingram (CRD #4360703, Plano, Texas)

April 6, 2021 – An AWC was issued in which Ingram was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Ingram consented to the sanctions and to the entry of findings that she borrowed \$1,800 from a brokerage customer. The findings stated that Ingram did not provide notice to, or obtain approval from, her member firm for the arrangement. The loan did not provide for interest or a repayment date and was not documented in a loan agreement or other writing. Ingram also asked the customer, who was also a friend, to keep the arrangement confidential. Later, the customer, who had not been repaid, complained to the firm who then repaid the customer.

The suspension was in effect from April 19, 2021, through May 18, 2021. ([FINRA Case #2019063762101](#))

Paul Tadashi Inouye (CRD #1944879, Woodside, California)

April 6, 2021 – An AWC was issued in which Inouye 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, Inouye consented to the sanctions and to the entry of findings that he willfully failed to timely amend his Form U4 to disclose two felony charges and willfully failed to amend his Form U4 to disclose his nolo contendere plea to a felony. The findings stated that a criminal complaint charged Inouye with felony rape of spouse unconscious by intoxication and anesthetic substance. Inouye was aware of the felony charge because he appeared in court and entered a not guilty plea. In addition, an amended information was filed charging Inouye with felony false imprisonment by violence. Inouye was aware of the second felony charge because he appeared in court and entered a plea of nolo contendere. As part of the plea, the first felony charge was dismissed. At the time Inouye entered the nolo contendere plea, he was aware of the plea but failed to amend his Form U4 within 10 days.

The suspension is in effect from April 19, 2021, through October 18, 2021. ([FINRA Case #2020065453101](#))

Joseph Albert Ambrosiole (CRD #5732488, Staten Island, New York)

April 7, 2021 – An AWC was issued in which Ambrosiole was fined \$5,000, suspended from association with any FINRA member in all capacities for six months, ordered to pay \$147,031.50 in restitution and shall certify to FINRA that restitution has been paid pursuant to a consent order with the New Hampshire Securities Division. Ambrosiole and his member firm have already paid full restitution. Without admitting or denying the findings, Ambrosiole consented to the sanctions and to the entry of findings that he excessively and unsuitably traded the accounts of customers. The findings stated that the first account belonged to an elderly customer who was 78 years old when the account was opened and had begun to sustain permanent, progressive, neurological and cognitive impairments. This elderly customer's account had an average monthly equity of approximately \$300,000. Ambrosiole recommended and executed trades that caused the customer to pay more than \$126,000 in commissions and other trading costs. The second account had an average monthly equity of approximately \$70,000 and belonged jointly to the elderly customer and his wife who was a senior with limited investment knowledge and experience. Ambrosiole recommended and executed trades in this account which caused the customers to pay more than \$20,400 in commissions and other trading costs. The customers relied on Ambrosiole's advice and accepted his recommendations which ultimately caused the customers to pay \$147,031.50 in commissions and other trading costs.

The suspension is in effect from May 3, 2021, through November 2, 2021. ([FINRA Case #2019061947601](#))

Timothy Andrew Catanzano (CRD #4266723, West Chester, Pennsylvania)

April 7, 2021 – An AWC was issued in which Catanzano was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Catanzano consented to the sanctions and to the entry of findings that he willfully failed to amend his Form U4 to disclose two non-investment related material reportable events that were required to be disclosed. The findings stated that Catanzano also inaccurately responded to a compliance questionnaire provided by his member firm by stating that he had not been the subject of any reportable events.

The suspension is in effect from April 19, 2021, through August 18, 2021. ([FINRA Case #2019062890901](#))

Louis Maurice Olave (CRD #5904834, Essex, Vermont)

April 7, 2021 – An AWC was issued in which Olave was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Olave consented to the sanctions and to the entry of findings that he participated in private securities transactions totaling \$217,477 without prior disclosure to, or approval from, his member firm. The findings stated that Olave solicited investors to purchase securities of a company that represented itself as a structured cash flow investment that purchased pensions at a discount from pensioners and then sold a portion of those pensions as a pension stream to investors. The company generally promised investors a seven to eight percent rate of return on their investment. Olave received a total of \$3,795 in commissions in connection with his sales of the securities.

The suspension is in effect from May 3, 2021, through August 2, 2021. ([FINRA Case #2020065678101](#))

William Badry Assatly (CRD #2152563, Red Bank, New Jersey)

April 9, 2021 – An AWC was issued in which Assatly was fined \$5,000 and suspended from association with any FINRA member in any principal capacity for two months. Without admitting or denying the findings, Assatly consented to the sanctions and to the entry of findings that he failed to establish and implement an AML compliance program reasonably designed to detect and cause the reporting of suspicious activity at his member firm. The findings stated that although the firm's customer account business had grown to represent nearly a quarter of its revenues, Assatly did not take reasonable steps to establish and implement an AML program tailored to its new business line and particularly to the deposits and liquidations of microcap stocks. Assatly did not use any exception reports or automated tools to monitor customer account activity for suspicious transactions, including customer transactions in microcap securities. Assatly's review for potentially suspicious transactions was limited to a manual review of the transactions. This manual review was unreasonable given that Assatly had no experience with customer account

business and no training in reviewing for AML red flags in customer accounts. The firm's failure to implement an AML program reasonably tailored to its new business lines resulted in Assatly failing to identify or investigate potentially suspicious transactions. The firm's clearing firm contacted Assatly noting that trading in certain microcap securities was a significant percentage of the overall market volume for the day and calling one of the customer's "higher risk." Despite these red flags, Assatly did not investigate why an owner might open multiple accounts to liquidate the same microcap security or monitor the accounts any differently. When the clearing firm contacted the firm about suspicious trades that had not been flagged by the firm, Assatly did not make any efforts to tailor the firm's AML program to the firm's new business line following these notifications. Indeed, multiple customers with limited or no assets in their accounts received shares of microcap securities, liquidated some or all of the securities and withdrew funds shortly after liquidation. Assatly did not identify or detect these red flags through his manual review. The findings also stated that Assatly failed to establish and maintain a supervisory system reasonably designed to achieve compliance with Section 5 of the Securities Act of 1933. Assatly failed to ensure that the firm had a reasonable supervisory system in place to avoid becoming a participant in the unregistered sale of securities. In addition, Assatly failed to ensure that reasonable inquiries were conducted to determine whether securities deposited into customer accounts for resale were registered or exempt from registration. Assatly repeatedly permitted deposits and resales of microcap securities despite missing documentation, such as proof of payment, appropriate legal opinions and other documents critical to determining whether microcap securities deposited were freely tradeable, and failed to follow-up with customers to ensure that required questions on deposit forms were answered correctly. Further, Assatly did not reasonably review the documentation associated with microcap deposits, missing multiple red flags in the documentation.

The suspension is in effect from May 3, 2021, through July 2, 2021. ([FINRA Case #2018056458302](#))

Alex Martineau Blau ([CRD #6682623](#), New York, New York) and **Brian Philip Coburn** ([CRD #6379877](#), New York, New York)

April 9, 2021 – An AWC was issued in which Blau was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months and Coburn 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, Blau and Coburn consented to the sanctions and to the entry of findings that they engaged in undisclosed OBAs and opened a securities account away from their member firm without obtaining prior written consent from the firm. The findings stated that Blau, Coburn and a third partner, who was not associated with a member firm, began planning to combine their own personal funds into a pooled investment vehicle to engage in algorithmic trading. To do so, Blau and Coburn formed their first limited liability company (LLC). Before the LLC was funded or transacted in any securities, Blau and Coburn got into a dispute with their

partner and they dissolved it. Blau, Coburn and a new partner, who also was not associated with a member firm, formed a second LLC, which would engage in the same type of trading activity as originally contemplated for first LLC. Blau and Coburn also opened a securities account for the second LLC at an investment advisor. Blau and Coburn funded the account with their own personal funds, with each of them contributing \$150,000. Blau and Coburn never sought consent from their firm to open the account. Although the account was open, no trades were transacted until after the termination of Coburn's registration with his firm. Over the next year, the second LLC made more than 700 trades, first primarily in individual large cap equities, before switching to exchange traded funds (ETFs). Blau did not disclose his OBAs until his firm's chief compliance officer (CCO) questioned him after receiving a FINRA inquiry. Blau disclosed the second LLC's securities account for the first time and stated he would end his involvement with it. However, the second LLC's securities account remained open and was actively trading ETFs.

Blau and Coburn's suspensions are in effect from April 19, 2021, through July 18, 2021. ([FINRA Case #2019062274901](#))

Dannia Ferreira (CRD #7154160, Bronx, New York)

April 9, 2021 – An AWC was issued in which Ferreira was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Ferreira consented to the sanctions and to the entry of findings that she possessed and had access to unauthorized materials while taking the Series 6 qualification examination. The findings stated that during an unscheduled break that lasted approximately 20 minutes, Ferreira possessed and had access to study materials that she had hidden in the testing center's restroom prior to beginning the exam.

The suspension is in effect from April 19, 2021, through October 18, 2022. ([FINRA Case #2019064947801](#))

Jared Matthew Reinstein (CRD #5411470, Ballston Lake, New York)

April 12, 2021 – An AWC was issued in which Reinstein was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Reinstein consented to the sanctions and to the entry of findings that he effected securities transactions, totaling \$3,429.65, in customer accounts without authorization. The findings stated that Reinstein sold securities with a principal value of \$1,929.10 in a customer's account to generate sufficient cash to cover a required minimum distribution without obtaining the customer's authorization. Shortly thereafter, the customer complained to the firm. With the customer's authorization, the firm repurchased the shares of one of the securities Reinstein sold and effected another sale to generate cash. In addition, the firm refunded all fees and commissions to the customer and compensated the customer for all losses. Subsequently, the firm issued a letter of caution to Reinstein and fined him. Approximately three weeks later, Reinstein purchased securities

with a principal value of \$1,500.55 in a second customer's account without obtaining the customer's authorization. Shortly thereafter, the customer complained to the firm and the firm reversed the transactions.

The suspension was in effect from May 3, 2021, through June 2, 2021. ([FINRA Case #2019062068001](#))

Steven Patrick Melen ([CRD #2357251](#), Belvedere, California)

April 15, 2021 – An AWC was issued in which Melen was fined \$7,500 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Melen consented to the sanctions and to the entry of findings that he accepted loans from customers totaling \$307,000 without providing notice to, or receiving approval from, his member firm. The findings stated that none of the loans were memorialized in writing. In addition, Melen falsely attested to the firm that he had not borrowed money from any customer in the past 24 months. The findings also stated that Melen failed to disclose his ownership of a rental property to the firm in writing. Melen received approximately \$200,000 in compensation from the property. In addition, Melen failed to identify the rental property on his annual attestations and affirmatively stated to the firm that he did not participate in any OBAs that required disclosure. Melen did disclose the OBA to his new firm.

The suspension is in effect from May 3, 2021, through September 2, 2021. ([FINRA Case #2019062323801](#))

Jimmie Darrel Summers ([CRD #1467286](#), Tulsa, Oklahoma)

April 19, 2021 – An AWC was issued in which Summers was fined \$5,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Summers consented to the sanctions and to the entry of findings that he circumvented his member firm's procedures that prohibited registered representatives from being named as a trustee, successor trustee, or executor for a firm customer, or from having power of attorney for a firm customer, except when the customer was a member of the representative's immediate family. The findings stated that Summers was named the successor trustee for the elderly customer's living trust, was named the personal representative of the customer's estate in the customer's will and was appointed power of attorney and medical power of attorney for the elderly customer, who was not a member of Summers' family. Later, Summers again circumvented the firm's procedures when he was named the sole beneficiary of an annuity held by the customer. Summers did not disclose any of these designations or appointments to the firm. Summers no longer holds any of these appointments or designations for the customer.

The suspension is in effect from May 17, 2021, through June 30, 2021. ([FINRA Case #2020065609101](#))

Elias Moses Hakimian (CRD #4404048, Huntington Beach, California)

April 21, 2021 – An AWC was issued in which Hakimian 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, Hakimian consented to the sanctions and to the entry of findings that he borrowed \$120,000 from a customer of his member firm, with whom he had a close friendship, without providing notice to or obtaining written pre-approval from the firm. The findings stated that Hakimian signed a loan agreement and agreed to pay 10 percent interest per year, with the note to be repaid within two years. The loan was then extended and restructured several times. Hakimian later fully repaid the loan. In addition, in annual compliance questionnaires, Hakimian falsely represented that he had not borrowed money from another individual or entity. The firm only learned of the loan after the customer complained.

The suspension is in effect from May 3, 2021, through August 2, 2021. ([FINRA Case #2019062902601](#))

Ronald Patrick Cameron (CRD #2551641, Fayetteville, Arkansas)

April 22, 2021 – An AWC was issued in which Cameron was fined \$5,000 and suspended from association with any FINRA member in all capacities for five weeks. Without admitting or denying the findings, Cameron consented to the sanctions and to the entry of findings that he engaged in an OBA without providing prior written notice to his member firms. The findings stated that Cameron filed articles of incorporation with the State of Arkansas for a company he formed to sell recreational vehicles. Cameron was the company's sole owner and manager. The company had gross sales of \$29,090 and \$88,669 in its first two years. In addition, Cameron falsely stated on an annual compliance questionnaire that all of his OBAs had been approved.

The suspension is in effect from May 17, 2021, through June 20, 2021. ([FINRA Case #2018060906101](#))

Tania Lashae Smith (CRD #5208859, Edmond, Oklahoma)

April 22, 2021 – An AWC was issued in which Smith was suspended from association with any FINRA member in all capacities for 15 months. In light of Smith's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Smith consented to the sanction and to the entry of findings that she structured deposits in amounts below \$10,000 to avoid the filing of Currency Transaction Reports (CTRs). The findings stated that Smith intentionally structured the deposits into her personal bank account totaling \$51,400 using multiple bank branch locations and multiple transactions. The deposits did not involve customer funds nor were customers impacted in any way. Smith had knowledge of CTR requirements from training she received as a registered representative as well as her prior employment as a bank teller.

The suspension is in effect from May 17, 2021, through August 16, 2022. ([FINRA Case #2019061942701](#))

Scott David Fergang ([CRD #1758758](#), Ramsey, New Jersey)

April 23, 2021 – An AWC was issued in which Fergang 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, Fergang consented to the sanctions and to the entry of findings that he exercised discretionary trading authority to effect transactions in customer accounts without the customers having provided written authorization and without his member firm having accepted any of the accounts as discretionary accounts.

The suspension was in effect from May 17, 2021, through June 7, 2021. ([FINRA Case #2018059478701](#))

Frederick Joseph Rock ([CRD #2548242](#), Tampa, Florida)

April 23, 2021 – An AWC was issued in which Rock 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, Rock consented to the sanctions and to the entry of findings that he participated in private securities transactions totaling \$409,200 without providing advance written notice to his member firm for these transactions. The findings stated that Rock solicited private placement investments in a start-up company from investors, including firm customers. Rock participated in these purchases by recommending the investments, helping the investors complete stock purchase agreements and collecting their stock purchase agreements and investment checks to provide to the company. Rock did not receive any compensation for the sales.

The suspension is in effect from May 3, 2021, through October 2, 2021. ([FINRA Case #2019063574801](#))

Constantinos George Maniatis ([CRD #4253356](#), Carrollton, Texas)

April 26, 2021 – An AWC was issued in which Maniatis was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 30 days. Without admitting or denying the findings, Maniatis consented to the sanctions and to the entry of findings that he exercised discretion in customer accounts despite the fact that his member firm no longer permitted such discretionary trading. The findings stated that although the firm and the customers had previously authorized the exercise of discretion in the accounts at issue, at the time of the transactions, the firm did not permit the exercise of discretion in the accounts and no longer accepted the accounts as discretionary accounts.

The suspension was in effect from May 3, 2021, through June 1, 2021. ([FINRA Case #2019062788601](#))

Paul Andrew Spero (CRD #1637713, East Syracuse, New York)

April 26, 2021 – An AWC was issued in which Spero 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, Spero consented to the sanctions and to the entry of findings that although his customers knew that he was exercising discretion in their accounts, he did so without prior written authorization from any of the customers and without his member firm’s approval of any of the accounts for discretionary trading.

The suspension was in effect from May 17, 2021, through June 7, 2021. ([FINRA Case #2019061646405](#))

Cynthia Kay Whitman (CRD #5688967, Ellisville, Missouri)

April 26, 2021 – An AWC was issued in which Whitman was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Whitman consented to the sanctions and to the entry of findings that she accepted a \$125,000 loan from a senior customer of her member firm without providing notice to or obtaining prior written approval from the firm. The findings stated that Whitman has repaid the customer in full for the loan.

The suspension is in effect from May 17, 2021, through August 16, 2021. ([FINRA Case #2020065709801](#))

Kevin David Barton (CRD #2542056, Vista, California)

April 27, 2021 – An AWC was issued in which Barton was fined \$17,500 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Barton consented to the sanctions and to the entry of findings that he engaged in an OBA without providing prior written notice to his member firm. The findings stated that Barton signed an employment agreement with a California corporation, and was its sole employee. Barton’s duties included marketing of financial products and services and he was paid \$60,000 per year by the corporation. Barton disclosed the OBA to his firm approximately 22 months after his employment began. The findings also stated that Barton exercised discretion in fee-based accounts maintained by customers, including seniors, without prior written authorization from the customers and without requesting or obtaining approval from the firm. The customers conveyed oral authorization to Barton to exercise discretion in their accounts, and none complained about the trading. The findings also included that Barton caused the firm to maintain inaccurate books and records by marking order tickets as unsolicited when the trades were solicited as a result of his exercising discretion in the customers’ accounts.

The suspension is in effect from May 17, 2021, through September 16, 2021. ([FINRA Case #2018059856601](#))

Ronald Vincent Pullman ([CRD #1743097](#), Beaver Falls, Pennsylvania)

April 28, 2021 – An AWC was issued in which Pullman 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, Pullman consented to the sanctions and to the entry of findings that he willfully failed to timely disclose state regulatory actions and orders entered against him on his Form U4. The findings stated that Pullman was aware of each of these state actions and orders and knew that he should have disclosed them on his Form U4 within thirty days of when he learned of the action. Pullman disclosed one state action through a Form U4 amendment more than four years after the order was issued and did not disclose the remaining state regulatory actions at all.

The suspension is in effect from May 3, 2021, through July 2, 2021. ([FINRA Case #2020066109401](#))

Gary Len Wells ([CRD #1142058](#), Puyallup, Washington)

April 29, 2021 – An AWC was issued in which Wells was assessed a deferred fine of \$20,000 and suspended from association with any FINRA member in all capacities for 15 months. Without admitting or denying the findings, Wells consented to the sanctions and to the entry of findings that he circumvented his member firms' WSPs by accepting bequests totaling over \$600,000 from the estate of an elderly customer. The findings stated that the customer named Wells as a beneficiary and fiduciary in her will. Subsequently, one of his firm's contacted Wells regarding a complaint received from the customer's brother indicating that Wells was named in a fiduciary capacity and as a beneficiary in the customer's will. Thereafter, the firm instructed Wells to have himself removed from the fiduciary and beneficiary designations and further instructed Wells that if the client refused to remove him he should decline the appointments. Later, following the death of the customer at age 92, Wells received a bequest in the form of a wire transfer from the customer's estate to his firm brokerage account. The firm reversed the transfer of funds and informed Wells in writing that he would not be allowed to receive assets as a bequest from a non-family member. After the firm informed him that he could not accept such funds, Wells then proceeded to accept three separate bequests from the customer and deposited the checks into a personal savings account at an unaffiliated bank. In addition, Wells concealed the fact that he was the beneficiary and had received bequests from the customer's estate by making false statements on one firm's compliance questionnaire.

The suspension is in effect from May 3, 2021, through August 2, 2022. ([FINRA Case #2019064851901](#))

Decision Issued

The OHO issued the following decision, which has been appealed to or called for review by the NAC as of April 30, 2021. The NAC may increase, decrease, modify or reverse the findings and sanctions imposed in the decision. Initial decisions where the time for appeal has not yet expired will be reported in future FINRA Disciplinary & Other Actions.

Charles Thomas Stevens ([CRD #1698058](#), Saint Augustine, Florida)

April 19, 2021 – Stevens appealed an OHO decision to the NAC. Stevens was barred from association with any FINRA member in all capacities. The sanctions were based on the findings that Stevens failed to appear and provide on-the-record testimony requested by FINRA in connection with its investigation into the accuracy of his Form U4 disclosures. The findings stated that Stevens willfully failed to amend his Form U4 to disclose a judgment and three liens and to make timely disclosure of other liens. Stevens was aware of the liens on or about the dates they were recorded. Stevens never disclosed three liens: one for nearly \$216,000, one for almost \$111,000 and one for a little over \$9,000. Stevens ultimately disclosed the existence of the other liens, but late. Stevens also inaccurately reported the release dates of other liens, falsely reported that liens had been released or discharged and removed previously disclosed, unsatisfied liens from his Form U4. Consequently, Stevens' Form U4 has portrayed a grossly inaccurate representation of his substantial tax liabilities. In addition, the Internal Revenue Service (IRS) filed a complaint against Stevens to obtain a consolidated judgment for federal income taxes he owed, and to foreclose on several liens related to real estate he owned. The IRS and Stevens, through counsel, jointly moved for the entry of a consent judgment against him for the unpaid taxes, totaling \$634,387. Stevens never disclosed the judgment on his Form U4. The findings also stated that Stevens submitted false statements on his member firm's annual compliance questionnaires stating that he had no undisclosed liens.

The sanction is not in effect pending review. ([FINRA Case #2017056627801](#))

Complaints Filed

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

Alan Robert Price ([CRD #3181061](#), Noblesville, Indiana)

April 1, 2021 – Price was named a respondent in a FINRA complaint alleging that he failed to comply with requests for documents and information that FINRA made in connection

with its investigation into whether he borrowed money from customers of his member firm, including a particular client who held an advisory account with the firm. The complaint alleges that Price failed to provide full and complete on-the-record testimony requested by FINRA. Price appeared for the sworn testimony by videoconference but refused to answer questions about the loan that was a subject of FINRA's investigation, and which resulted in his termination from the firm. After FINRA suspended the testimony due to the withdrawal of his counsel, Price subsequently refused to answer further questions, including concerning the loan. The information FINRA sought from Price through the testimony was material to its investigation of his termination and to whether he violated any securities laws or regulations or FINRA rules. Furthermore, Price's refusal to provide testimony and to answer requests for documents and information impeded and delayed FINRA's investigation. ([FINRA Case #2020066136801](#))

Henry Clay Smith II ([CRD #1736102](#), Haschbach am Remigiusberg, Germany)

April 7, 2021 – Smith was named a respondent in a FINRA complaint alleging that he caused his member firm to violate Regulation S-ID, the SEC's Identity Theft Red Flags rule. Smith, as the chief executive officer and CCO of his firm, failed to develop a written identity theft prevention program reasonably designed to detect, prevent and mitigate identity theft in connection with opening or maintaining customer accounts as required by Regulation S-ID. While the firm had some skeletal procedures related to identity theft, it failed to develop policies and procedures reasonably designed to identify or detect red flags of identity theft, and the firm's procedures for responding to suspected identity theft were not tailored to its business. Smith also failed to implement the skeletal identity theft procedures the firm had in place. An unknown hacker accessed Smith's firm email account and caused approximately 15,000 emails to be forwarded from Smith's firm email account to an unknown, outside email address. Approximately 200 attachments to the emails accessed and forwarded by the hacker contained customers' non-public personal information, including social security numbers, drivers' license numbers and dates of birth. Smith knew, or should have known, of the breach when he began to receive undeliverable mail messages in his firm email account that referenced the outside email address, and later when the firm's email vendor informed Smith that his email account had been compromised. After Smith became aware of the email breach that exposed the firm's customers' identifying information to an unauthorized third party, he failed to take reasonable steps to mitigate the identity theft as required by Regulation S-ID and the firm's procedures. For example, Smith failed to report the breach to the authorities or to notify customers that their information had been stolen. Moreover, Smith never took steps to determine whether applicable state laws required the firm to notify states of the potential identity theft, despite the firm's program requiring such notification. The complaint also alleges that Smith failed to supervise the firm's compliance with Regulation S-ID by failing to establish, maintain and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with Regulation S-ID. In addition, Smith failed to tailor the firm's policies and procedures for identifying and responding to red flags of identity

theft to the firm's business, and to implement any of the procedures set forth in the firm's program upon being put on notice of an email breach that exposed the firm's customers' identifying information to an unauthorized third party. The complaint further alleges that Smith caused the firm to maintain inaccurate books and records. Smith instructed a firm registered representative to transmit firm customer account documentation from the representative's personal email to Smith's personal email. Because these email communications were not sent using the firm's email system, the firm failed to retain a record of the communications. In addition, the complaint alleges Smith instructed the representative to provide false and misleading information to FINRA in response to a FINRA request issued to the representative regarding the representative's use of personal email to conduct firm securities business. Specifically, although the representative emailed Smith customer account documents from their personal email address to Smith's personal email address, Smith directed the representative to conceal that information from FINRA. Moreover, the complaint alleges that Smith provided false information to FINRA. When asked to provide a list of all email addresses that had received communications related to securities business from the representative's personal email address, Smith responded that the representative had not used private email for business, and did not provide any email addresses in response to the request. Furthermore, the complaint alleges Smith provided false on-the-record testimony about whether he directed the representative to transmit customer account documents using non-firm email accounts. Smith repeatedly lied by falsely stating that he never directed the representative to email customer account documents from their personal email address to Smith's personal email address. In addition, Smith repeatedly lied by falsely testifying that he never instructed the representative to provide false and misleading responses to FINRA. ([FINRA Case #2019062898303](#))

Hugues Guirand ([CRD #3045595](#), Virginia Beach, Virginia)

April 12, 2021 – Guirand was named a respondent in a FINRA complaint alleging that he failed to provide information and documents and failed to appear and provide on-the-record testimony requested by FINRA in connection with its investigation relating to allegations that he solicited a customer's investment in real estate transactions without his member firm's approval. ([FINRA Case #2020068395801](#))

Steven Douglas Schisler ([CRD #2367961](#), Grass Valley, California)

April 13, 2021 – Schisler was named a respondent in a FINRA complaint alleging that he made an unsuitable recommendation to two elderly, married customers by persuading them to invest \$300,000 in a promissory note to finance a commercial property. The complaint alleges that the recommended investment was a security and, by its own terms, was limited to accredited investors, which the married customers were not. Moreover, Schisler did not perform the diligence necessary to provide him with a reasonable basis to recommend the investment to the married customers. Had Schisler conducted even a cursory internet search, he would have learned that one of the two partners issuing the

note had been barred from the securities industry for defrauding investors. The complaint also alleges that Schisler participated in the private securities transaction with the married customers without providing the required written notice to, or receiving the required written approval from, his member firm. Schisler facilitated the married customers' investment in the note by, among other things, recommending the investment to them, arranging and participating in a meeting in his office between them and the issuer and receiving a \$9,500 finder's fee from the issuer in connection with the transaction. Schisler participated despite repeated and explicit instruction from the firm that he could not do so. The complaint further alleges that Schisler willfully failed to timely amend his Form U4 to report a civil lawsuit and a FINRA arbitration filed by one of the elderly customers, despite repeated instructions from the firm to do so. Schisler also willfully failed to timely amend his Firm U4 to disclose the subsequent resolutions of the lawsuit and arbitration as well as his receipt of a Wells Notice advising him that he was the subject of a FINRA investigation. When the promissory note became due, the issuer defaulted. One of the married customers had died a few months earlier, and the surviving married customer brought the lawsuit against Schisler and others involved in the investment and, subsequently, the arbitration against him. In addition, the complaint alleges that Schisler executed a settlement agreement with the surviving married customer to resolve both her lawsuit and arbitration. Under the terms of the settlement, Schisler improperly required the surviving married customer to execute a declaration to support his request for expungement, which is a prohibited condition. Moreover, the complaint alleges that Schisler provided false and misleading testimony to a FINRA arbitration panel by lying about his involvement in the promissory note, falsely testifying that he did not personally introduce the married customers to the issuer and otherwise mischaracterizing the nature of his involvement with the note. In addition, Schisler provided false and misleading testimony to FINRA by repeatedly and falsely testifying that the finder's fee he received in connection with the promissory note was a personal loan and that he was unaware at the time that the married customers made the investment. Furthermore, the complaint alleges that Schisler's unethical misconduct extended to another elderly, retired customer. Schisler solicited the retired customer to lend him \$50,000 in the form of a promissory note that was secured by mortgaged property on the verge of default. Schisler defaulted on the mortgage a few days after he issued the note to the retired customer and he subsequently lost the property through foreclosure. Schisler failed to disclose both the default and subsequent foreclosure to the retired customer and then failed to repay her the principal amount and the accrued interest for more than six years after the note matured. After years of unjustified delays, and still owing most of the original principal, Schisler finally repaid the retired customer. The complaint alleges that Schisler falsely responded "no" to a question on the firm's questionnaire asking whether he had borrowed money from any current or former customers. In fact, when Schisler joined the firm, he brought the retired customer with him and he had borrowed money from two customers, including the retired customer. The complaint also alleges that Schisler caused the firm to fail to preserve required books and records by using non-firm email accounts not copied, captured, or supervised by the firm to communicate with customers regarding securities-related business. ([FINRA Case #2018058718601](#))

Abdul Matin Rahmani ([CRD #4269583](#), Oceanside, New York)

April 15, 2021 – Rahmani was named a respondent in a FINRA complaint alleging that he engaged in OBAs through and on behalf of an entity without providing prior written notice to his member firm. The complaint alleges that the entity advertised its business as marketing and selling shares of pre-IPO companies to investors. Among other things, Rahmani solicited and met with prospective clients of the entity, which operated from the same office where he conducted his securities business. The complaint also alleges that Rahmani provided false or misleading information to FINRA in response to a written request for information in connection with its investigation of his undisclosed OBAs. Although FINRA requested that Rahmani identify all email addresses he used, as well as all bank accounts he controlled, he failed to disclose one email address. Rahmani also failed to disclose the existence of bank accounts that he opened at approximately the same time the entity was formed. The complaint further alleges that Rahmani provided false or misleading information to FINRA during on-the-record testimony by testifying that he had no involvement with the entity, that he never used an email address associated with the entity despite the fact that he had already produced to FINRA emails sent to and from an email account associated with the entity and that he had closed multiple bank accounts that he initially failed to disclose to FINRA. In addition, the complaint alleges that Rahmani failed to provide information and documents requested by FINRA. Following Rahmani's testimony, FINRA continued its investigation and requested information and documents pertaining to the bank accounts that he previously opened. Rahmani failed to provide FINRA with all the requested information or documents for half of the accounts and failed to provide any information or documents whatsoever related to the remaining accounts. ([FINRA Case #2019063626703](#))

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

Crowdfunder Financial Services Inc. dba CFI Securities (CRD #284750)
Los Angeles, California
(April 15, 2021)

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.)

Nathaniel Adam Eklund (CRD #4859312)
Phoenix, Arizona
(April 12, 2021)
FINRA Case #2020066698701

Idean Esfahani (CRD #7127516)
Irvine, California
(April 23, 2021)
FINRA Case #2020068608901

Justyn Francisco Euan (CRD #6834124)
Livermore, California
(April 8, 2021)
FINRA Case #2020066749801

Ngonidzashe Parirenyatwa (CRD #5223910)
Bala Cynwyd, Pennsylvania
(April 23, 2021)
FINRA Case #2020068709901

Laquita Antionette Pettis (CRD #6852446)
Gastonia, North Carolina
(April 26, 2021)
FINRA Case #2020068558001

Rodney John Repko (CRD #4883331)
Pasadena, Maryland
(April 5, 2021)
FINRA Case #2020067708701

George Carver Stills Jr. (CRD #2934826)
West New York, New Jersey
(April 29, 2021)
FINRA Case #2020066868901

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.)

Lorenzo Atkins (CRD #6348394)
Toledo, Ohio
(April 19, 2021)
FINRA Case #2020067955901

Cyntera Ann Belser (CRD #6974662)
Detroit, Michigan
(April 5, 2021)
FINRA Case #2020067794901

Amanda Yvonne Berry (CRD #5651609)
Edmond, Oklahoma
(April 23, 2021)
FINRA Case #2020068297301

Tiffany S. Burgess (CRD #5124115)
Florissant, Missouri
(April 9, 2021)
FINRA Case #2020069016101

James Ray Carpenter II (CRD #4492120)
Hattiesburg, Mississippi
(January 29, 2021 – April 26, 2021)
FINRA Case #2020067918801

Jinnie Chean (CRD #6876823)

Flushing, New York
(April 19, 2021)
FINRA Case #2020068447801

Paul Wesley Furusho (CRD #2165709)

Ross, California
(April 1, 2021)
FINRA Case #2020066177701

Courtney Cay Mahdak (CRD #7026550)

Haslet, Texas
(April 2, 2021)
FINRA Case #2020068267502

Marco Antonio Rivera (CRD #7003078)

Chicago, Illinois
(April 27, 2021)
FINRA Case #2020068740301

Janie B. Royal (CRD #7233359)

Perry, Ohio
(April 2, 2021)
FINRA Case #2020068888901

Individuals Suspended for Failure to Comply with an Arbitration Award or Related Settlement or an Order of Restitution or Settlement Providing for Restitution Pursuant to FINRA Rule Series 9554

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

Gina Adly (CRD #5825630)

Pompano Beach, Florida
(April 30, 2021)
FINRA Case #Arbitration Case #20-03273

Patrick Joseph Carberry (CRD #6592438)

Philadelphia, Pennsylvania
(April 6, 2021)
FINRA Arbitration Case #20-03393

Roy Cederfranco (CRD #5121817)

Tel Aviv, Israel
(April 6, 2021)
FINRA Arbitration Case #19-00262

Michael P. Gopie (CRD #5758354)

Lake Worth, Florida
(April 23, 2021)
FINRA Arbitration Case #20-02433

Cary Jarrett Kievman (CRD #2804357)

Moorpark, California
(November 21, 2019 – April 6, 2021)
FINRA Arbitration Case #16-03476

Gaetano Magarelli (CRD #2227996)

North Palm Beach, Florida
(April 23, 2021)
FINRA Arbitration Case #19-03385

Margarita Medina (CRD #4530251)

San Ysidro, California
(April 6, 2021)
FINRA Arbitration Case #20-02419

PRESS RELEASE

FINRA Bars Research Analyst for Insider Trading

The Financial Industry Regulatory Authority (FINRA) announced that it has barred former Goldman Sachs & Co. research analyst [Brian Maguire](#) for twice purchasing securities after he learned a fellow analyst was upgrading his recommendation in impending research reports and for lying to FINRA staff about his trading.

Jessica Hopper, Executive Vice President and Head of FINRA's Department of Enforcement, said, "Insider trading by securities industry professionals erodes the public trust in our capital markets. FINRA utilizes sophisticated surveillance tools to detect and remediate this type of misconduct. Ensuring market integrity is one of FINRA's core missions and weeding out misconduct from within the industry will always be a priority for FINRA."

Federal law prohibits the purchase or sale of a security of any issuer on the basis of material nonpublic information; a person trades "on the basis" of material nonpublic information if the person making the purchase or sale was aware of the material nonpublic information at the time of the transaction. An impending research analyst upgrade may be material and is nonpublic until the research report containing the upgrade is published.

FINRA found that, in April 2020 and June 2020, Maguire purchased shares of two companies in undisclosed accounts after receiving material nonpublic information: internal emails disclosing that the research analyst covering those companies was upgrading his recommendation from "Neutral" to "Buy" in impending research reports. Maguire purchased the shares after the upgrades were approved internally but before the research reports announcing those upgrades were published.

FINRA also found that, on multiple occasions, Maguire traded the securities of issuers that he covered in contravention of firm policy prohibiting such trading, sold securities of issuers when he had a buy recommendation in his latest research report, and authored research reports without disclosing that a member of his household had a financial interest in the securities of the issuers, all in violation of FINRA Rule 2241, which governs research analyst conflicts of interest and required disclosures. Maguire did not disclose the accounts in which he traded to Goldman Sachs or seek pre-approval for the trades, as required by the firm's procedures.

During testimony given to FINRA staff as part of its investigation, Maguire lied about his history of trading in the undisclosed accounts and trading the securities of issuers that he and his business unit covered.

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