

Disciplinary and Other FINRA Actions

Firms Fined

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

September 7, 2018 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured, fined \$100,000 and required to provide FINRA® with a plan to remediate eligible customers who qualified for, but did not receive, the applicable mutual fund sales-charge waivers. As part of this settlement, the firm agrees to pay restitution to eligible customers, which is estimated to total \$309,093 (the amount eligible customers were overcharged, including interest). Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it disadvantaged certain retirement plan and charitable organization customers that were eligible to purchase Class A shares in certain mutual funds without a front-end sales charge. The findings stated that these eligible customers were instead sold Class A shares with a front-end sales charge or Class B or C shares with back-end sales charges and higher ongoing fees and expenses. These sales disadvantaged eligible customers by causing such customers to pay higher fees than they were actually required to pay. The findings also stated that the firm failed to reasonably supervise the application of sales charge waivers to eligible mutual fund sales. The firm relied on its financial advisors to determine the applicability of sales-charge waivers, but failed to maintain adequate written policies or procedures to assist financial advisors in making this determination. In addition, the firm failed to adequately notify and train its financial advisors regarding the availability of mutual fund sales charge waivers for eligible customers. The firm also failed to adopt adequate controls to detect instances in which they did not provide sales charge waivers to eligible customers in connection with their mutual fund purchases. As a result of the firm's failure to apply available sales-charge waivers, the firm estimates that eligible customers were overcharged by approximately \$264,844 for mutual fund purchases made since January 1, 2011. ([FINRA Case #2016049977601](#))

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

September 7, 2018 – An AWC was issued in which the firm was censured and fined \$27,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it submitted Reportable Order Events (ROEs) to the Order Audit Trail System (OATS™) that contained inaccurate data for institutional clients of the firm and institutional clients of a broker-dealer affiliate of the firm. The findings stated that the firm failed to include the Not Held (NH) Special Handling Code in its OATS submission on orders that were handled as NH orders. The findings also stated that for institutional clients at a broker-dealer affiliate of the firm that routed orders

Reported for November 2018

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).

to its proprietary algorithm, the firm failed to include the NH Special Handling Code in its OATS submission on orders that were handled as NH orders. The findings also included that the firm failed to establish, maintain and enforce supervisory procedures, including Written Supervisory Procedures (WSPs) and a system of follow-up and review, reasonably designed to achieve compliance with FINRA rules concerning OATS reporting requirements. ([FINRA Case #2015045362401](#))

Securities America, Inc. ([CRD #10205](#), Lavista, Nebraska)

September 7, 2018 – An AWC was issued in which the firm was censured and fined \$175,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish, maintain and enforce a supervisory system and written procedures reasonably designed to supervise representatives' recommendations of variable annuities. The findings stated that the firm's procedures did not specifically address suitability issues pertaining to the fees and costs or surrender periods of different variable annuity share classes. Similarly, the firm's procedures did not specifically address the suitability concerns raised by the sale of an L-share contract when combined with a long-term rider or to a customer with a long-term investment time horizon. The firm's WSPs also failed to address when additional scrutiny may be warranted during the required principal review and approval process because of suitability concerns about the variable annuity share class that was selected for the transaction. The findings also stated that the firm failed to provide sufficient training to its representatives and reviewing principals to ensure that they understood the material features of variable annuities. Specifically, the variable annuity training provided by the firm was not designed to ensure that the representatives and reviewing principals understood the suitability considerations raised by the sale of an L-share contract with a long-term income rider or to a customer with a long-term investment time horizon. The firm received approximately \$53 million from the sale of variable annuities, including approximately \$6.6 million from the sale of L-share contracts. Despite the significant role that variable annuity sales played in their overall business, the firm failed to implement a supervisory system and procedures reasonably designed to ensure suitability in multi-share class variable annuity sales, including L-share contracts. As a result of the firm's failure to have supervisory procedures identifying these potential suitability concerns, supervisors at the firm responsible for reviewing variable annuity transactions had no procedures to ensure they were considering suitability issues related to share class selection, including whether the sales of L-share contracts were suitable for customers with no short-term liquidity needs, a long-term investment horizon, or a desire for a long-term rider. ([FINRA Case #2016048243101](#))

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

September 7, 2018 – An AWC was issued in which the firm was censured and fined \$35,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to execute orders fully and promptly. The findings stated that the firm failed to use reasonable diligence to ascertain the best market for the

subject securities and failed to buy or sell in such a market so that the resultant price to the customer was as favorable as possible under prevailing market conditions. The findings also stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and FINRA rules concerning compliance with Supplementary Material .01 of FINRA Rule 5310 with respect to executing marketable customer orders fully and promptly. ([FINRA Case #2016048536701](#))

Brokerbank Securities, Inc. ([CRD #130116](#), Minnetonka, Minnesota)

September 10, 2018 – An AWC was issued in which the firm was censured, fined \$5,000, and required to submit a certification to FINRA that the firm has enhanced its supervisory system, including its WSPs, to ensure it obtains customer account information, in accordance with Securities and Exchange Commission (SEC) Rule 17a-3(a)(17). A lower fine was imposed after considering, among other things, the firm's revenue and financial resources. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to conduct and document reasonable due diligence of a private placement sold by a registered representative of the firm, and did not have a supervisory system reasonably designed to ensure the firm complied with its due diligence obligations. The findings stated that the firm's WSPs required that it observe a set of due diligence standards to test the offering of an issuer's securities before the firm agreed to participate in an offering. The firm served as a placement agent for a Regulation D private placement offering of securities issued by a corporation. The corporation raised \$2,516,000 in the offering, of which \$2,220,000 was raised by the firm's sales to accredited investors. The terms and conditions of the offering were set forth in a confidential private offering memorandum reviewed and distributed by the firm. After agreeing to participate as a placement agent in the offering, the firm failed to conduct a reasonable due diligence investigation of the corporation, and also failed to document the results of its due diligence investigation. The firm failed to recognize and investigate contradictory and potentially confusing statements made in the offering memorandum about material terms of the offering. The findings also stated that the firm failed to obtain and record required customer information with respect to a significant percentage of customers who purchased interests in private placements. The firm executed private placement transactions in customer accounts but took no steps to ensure that customer new account forms contained the required customer information, prior to those private placement transactions taking place. Further, the firm had been placed on notice by FINRA because of its failure to obtain and record the types of customer account information referenced in SEC Rule 17a-3(a)(17), as a result of a previous FINRA examination. Despite this, the firm failed to establish and maintain a supervisory system reasonably designed to ensure that it obtained the required customer account information. ([FINRA Case #2015043584501](#))

Cadaret, Grant & Co., Inc. ([CRD #10641](#), Syracuse, New York)

September 11, 2018 – An AWC was issued in which the firm was censured, fined \$800,000 and required to retain an independent consultant to conduct a comprehensive review of the adequacy of the firm’s policies, systems and procedures (written and otherwise), staffing and training relating to the violations identified in the AWC. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish a reasonably-designed supervisory system with respect to numerous areas of its business. The findings stated that in large part, the firm’s supervisory deficiencies stemmed from its failure to devote sufficient resources to the supervision of its personnel. The firm failed to establish and maintain a supervisory system reasonably designed to ensure that its representatives’ securities recommendations were suitable and in compliance with the applicable securities laws, regulations and rules. The firm did not employ enough supervising principals and did not provide supervising principals with sufficient tools or exception reports designed to identify patterns of potentially unsuitable trading. Supervising principals were expected to conduct suitability reviews through a manual review of the daily trade blotter; however, the firm’s procedures did not provide any guidance to supervisors on how they should conduct this manual review. In addition, the firm’s procedures failed to provide guidance to compliance personnel concerning how to review blotter transactions to detect potential suitability violations or what steps should be taken when issues were identified. The findings also stated that despite the significant role that variable annuity sales played in its overall business, the firm failed to implement a supervisory system and procedures reasonably designed to ensure the suitability of its variable annuity sales, including its sales of L-share contracts. In addition, the firm failed to implement a supervisory system and procedures reasonably designed to monitor and supervise certain variable annuity exchanges. The findings also included that the firm did not have an adequate system to detect the use of consolidated reports, or to review the reports’ contents to ensure customers were receiving accurate information concerning the value of their holdings. Additionally, the firm had no procedures requiring representatives to retain copies of the consolidated reports sent to customers or the supporting documentation that could be used to verify the accuracy of the manually entered asset values in those reports. FINRA found that the firm failed to retain and review business-related emails for representatives who disclosed to it personal email addresses that they used for firm business. ([FINRA Case #2014039071101](#))

BMO Nesbitt Burns Securities Ltd. ([CRD #44057](#), Toronto, Ontario, Canada)

September 13, 2018 – An AWC was issued in which the firm was censured and fined \$75,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it incorrectly calculated its net capital, preventing it from continuously maintaining its required level of net capital. The findings stated that the firm counted as net capital approximately \$4 million in U.S. Treasury Bills held in two accounts at another bank. However, the account documents did not specify that the firm, and neither its ultimate parent, a Canadian-based bank, controlled these two accounts, and

therefore these assets should have been disallowed from the net capital calculation. The firm had a net capital deficiency during eight months ranging from \$26,815 to \$259,764. The firm's cash balance in its two checking accounts maintained with the bank exceeded the three-month trailing average of its operating expenses. That overage should not have been counted as an asset for purposes of the net capital calculation. The firm failed to reinvest maturing U.S. Treasury Bills held in that reserve account, and therefore held cash that was \$1.77 million in excess of the trailing three-month average of its operating expenses and improperly identified as available net capital in the firm's net capital calculation. The findings also stated that the firm maintained inaccurate books and records due to its failure to prepare an accurate computation of its net capital and filing inaccurate Financial and Operational Combined Uniform Single (FOCUS™) Reports because of its errors in the net capital calculation. ([FINRA Case #2016052541501](#))

Stifel, Nicolaus & Company, Incorporated ([CRD #793](#), St. Louis, Missouri)

September 13, 2018 – An AWC was issued in which the firm was censured, fined \$37,500, ordered to pay \$68.50, plus interest, in restitution to investors and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it accepted and held customer orders in over-the-counter (OTC) securities, traded for its own account at prices that would have satisfied the customer orders and failed to execute or immediately execute the customer orders up to the size and at the same price at which it traded for its own account, or at a better price. The findings stated the firm transmitted inaccurate reports to OATS. The firm's OATS reports contained an inaccurate information barrier identifier. The cause of the inaccurate reports, which was systemic, was a change that the firm's vendor made to the manner in which the firm reported information barrier identifiers. For each stock in which the firm makes a market, the stock is assigned to a particular trader at the firm. Because of the change by the firm's vendor, instead of reporting information barrier identifiers based on the actual trader who handled the order, the firm reported information barrier identifiers based on the trader who was assigned the stock. The findings also stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and FINRA rules, concerning compliance with FINRA Rule 7450. The firm's WSPs failed to include a review for the reporting of information barrier identifiers to OATS, and the firm did not otherwise review its reporting of information barrier identifiers to OATS. ([FINRA Case #2016050506801](#))

Mesirow Financial, Inc. ([CRD #2764](#), Chicago, Illinois)

September 14, 2018 – An AWC was issued in which the firm was censured and fined \$20,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to timely submit certain offering documents to the Electronic Municipal Market Access (EMMA) system operated by the Municipal Securities Rulemaking Board (MSRB) in connection with underwriting primary offerings of municipal securities. The findings stated that the firm failed to timely submit official statements

to EMMA within one business day after receipt from the issuer, failed to timely submit advance refunding documents, and all related information, no later than five business days after the closing date, and failed to timely submit amendments to documents required to be filed with EMMA, within one business day from receipt, as required. The findings also stated the firm's WSPs failed to designate one or more persons, either by name or by title or position, who were to be responsible for MSRB Rule G-32 submissions in its competitive underwriting department, leading to ambiguity about that responsibility and a resulting lack of accountability to ensure timely filings. Accordingly, the firm failed to establish and maintain a supervisory system reasonably designed to ensure compliance with the EMMA submission requirements of MSRB Rule G-32. ([FINRA Case #2016047863301](#))

Torino Capital, LLC ([CRD #157525](#), New York, New York)

September 14, 2018 – An AWC was issued in which the firm was censured, fined \$20,000 and required to revise its supervisory system and WSPs to implement and maintain procedures and controls reasonably designed to achieve compliance with applicable securities rules and regulations regarding prohibited activities and non-bona fide activities, such as pre-arranged trading and the publication or circulation of reports or communications of such transactions. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that its supervisory system and WSPs, particularly with respect to the firm's supervision of prohibited activities and non-bona fide transactions, such as pre-arranged trading, and the publication or circulations of reports involving non-bona fide transactions in Trade Reporting and Compliance Engine® (TRACE®), were not reasonably designed to achieve compliance with applicable securities laws and regulations, and FINRA rules. The findings stated that another registered broker-dealer, while acting through its former chief executive officer (CEO) and head trader, effected pre-arranged, fixed-income securities transactions with the firm, prior to purchasing bonds from, or selling bonds to, customers of a registered investment advisor and manager of customer accounts held with the other broker-dealer. To effectuate the pre-arranged trades with the firm, the other broker-dealer, through its former CEO and head trader, typically contacted the firm and provided the names and volume of the bonds to be traded and provided the price, within the prevailing market, at which point the broker-dealer would purchase the bonds from, or sell the bonds to, the firm. Within a short period of time thereafter, the broker-dealer would repurchase the bonds from the firm at a slightly lower price than it had paid earlier, or resell the bonds to the firm at a slightly higher price than it had paid earlier, to compensate the firm for facilitating the transactions. The firm then published and reported the pre-arranged transactions in TRACE. The findings also stated that without informing the firm, the broker-dealer effected the pre-arranged trades with the firm to circumvent a fee agreement it had with the registered investment advisor. Prior to entering into the transactions with the broker-dealer, the firm failed to conduct reasonable due diligence into the bonds and failed to review the transactions with the broker-dealer to determine whether they involved any prohibited activities or non-bona fide transactions, or whether they were consistent with the firm's risk profile and trading strategy. The findings also included that the firm's WSPs

did not address, and its supervisory system had no controls to review for, detect or prevent, insofar as practicable, pre-arranged trading or the publication or circulation of reports or communications of, or transactions that resulted in the publication or circulation of reports or communications of, non-bona fide purchases or sales of bonds. In addition, the firm failed to identify the person(s) responsible for supervisory reviews to detect and prevent pre-arranged and other non-bona fide transactions and the publication or circulation of reports or communications of such transactions, identify the supervisory steps to be taken by such person(s), identify the frequency of such supervisory reviews and specify how the supervisory reviews were to be documented. ([FINRA Case #2014041264601](#))

BAC Florida Investments Corp. ([CRD #19453](#), Coral Gables, Florida)

September 19, 2018 – An AWC was issued in which the firm was censured and fined \$100,000. Prior to FINRA completing its investigation of this matter, the firm paid restitution (inclusive of interest) totaling \$117,123.35 to its customers and retained an independent consultant to identify weaknesses in, and recommend enhancements to, the firm's supervisory systems procedures and controls, particularly as they relate to fixed income securities. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that while acting through its former CEO and head trader, it engaged in pre-arranged, fixed-income securities transactions with another registered broker-dealer, prior to purchasing bonds from, or selling bonds to, customers of a registered investment advisor and manager of customer accounts held at the firm. The findings stated that these pre-arranged trades were not disclosed to the investment advisor firm and allowed the firm to circumvent a fee agreement it had with it. The firm effected the pre-arranged trades with the other broker-dealer to circumvent the markup/markdown limitation specified in the fee agreement, enabling the firm to earn extra profits at the expense of the investment advisor firm's customers. In doing so, the firm did not provide the investment advisor firm with the accurate acquisition costs and sales proceeds of the bond transactions, causing the investment advisor firm's customers to receive inferior prices for the bonds they had purchased from or sold to the firm. In total, the firm, acting through its former CEO and head trader, facilitated customer purchase and sell orders for the investment advisor firm's customers, generating \$99,543.21 in fees above the basis points specified in the fee agreement. The firm then published and circulated reports of the non-bona fide pre-arranged transactions in TRACE. The findings also stated that the firm's supervisory system and its WSPs were not reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules. The firm failed to establish and maintain a system to supervise the activities of its former CEO and head trader with respect to prohibited activities, such as interpositioning, and non-bona fide transactions, such as pre-arranged trading. The firm's former chief compliance officer (CCO), who was responsible for supervising and reviewing the former CEO and head trader's trading activities, failed to do so. Instead, the firm allowed its former CEO and head trader to review his own trading activities. The firm failed to use reasonable efforts to determine that its supervisory personnel were qualified to carry out their assigned responsibilities. ([FINRA Case #2014041264602](#))

Lincoln Investment Planning, LLC ([CRD #519](#), Fort Washington, Pennsylvania)

September 25, 2018 – An AWC was issued in which the firm was censured and fined \$35,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to implement reasonably designed surveillance procedures to monitor its registered representatives' rates of effecting variable annuity exchanges. The findings stated that the firm only tracked exchanges where it was the broker of record for the variable annuity that was being exchanged. In so doing, the firm did not track variable annuity exchanges where the firm was not the broker of record for the variable annuity that was being exchanged. More than half of the variable annuity exchanges effected by the firm's representatives were excluded from its surveillance report. After FINRA raised this issue with the firm, it corrected its surveillance report to include all variable annuity exchanges. ([FINRA Case #2017052410201](#))

Firm Sanctioned

Lincoln Investment Planning, LLC ([CRD #519](#), Fort Washington, Pennsylvania)

September 5, 2018 – An AWC was issued in which the firm was censured and required to provide FINRA with a plan to remediate eligible customers who qualified for and did not receive the applicable mutual fund sales-charge waiver. As part of this settlement, the firm agrees to pay restitution to eligible customers, which is estimated to total \$1,368,681 (the amount eligible customers were overcharged, inclusive of interest). Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it disadvantaged certain retirement plan and charitable organization customers that were eligible to purchase Class A shares in certain mutual funds without a front-end sales charge. The findings stated that these eligible customers were instead sold Class A shares with a front-end sales charge, or Class B or C shares with back-end sales charges and higher ongoing fees and expenses. These sales disadvantaged eligible customers by causing the customers to pay higher fees than they were actually required to pay. The findings also stated that the firm failed to reasonably supervise the application of sales-charge waivers to eligible mutual fund sales. The firm relied on its financial advisors to determine the applicability of sales-charge waivers, but failed to maintain adequate WSPs to assist financial advisors in making this determination. In addition, the firm failed to adequately notify and train its financial advisors regarding the availability of mutual fund sales-charge waivers for eligible customers. The firm also failed to adopt adequate controls to detect instances in which they did not provide sales-charge waivers to eligible customers in connection with their mutual fund purchases. As a result of the firm's failure to apply available sales-charge waivers, the firm estimates that eligible customers were overcharged by approximately \$1,167,689 for mutual fund purchases made since January 1, 2011. ([FINRA Case #2017053723701](#))

Individuals Barred

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

September 4, 2018 – An Offer of Settlement was issued in which Cohen was barred from association with any FINRA member in all capacities. Without admitting or denying the allegations, Cohen consented to the sanction and to the entry of findings that he converted at least \$14,606.94, from his member firm by preparing several false expense reports and submitting them to it seeking reimbursement pursuant to its marketing reimbursement program. The findings stated that the expense reports were false because the corresponding preapproved client-marketing events did not occur and, therefore, Cohen did not incur any costs for the events. Nonetheless, Cohen created false transaction records to evidence the preapproved expenses, submitted at least five of these false records to the firm, and requested reimbursement of approximately 50 percent of these phantom expenses. The findings also stated that Cohen caused the firm to maintain inaccurate books and records by preparing and submitting false transaction records in support of the false expense reports he caused to be submitted to it. ([FINRA Case #2014040761001](#))

Stephen Thomas Hurtuk ([CRD #848484](#), Boardman, Ohio)

September 5, 2018 – An AWC was issued in which Hurtuk was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Hurtuk consented to the sanction and to the entry of findings that he refused to appear for FINRA on-the-record testimony in connection with its investigation into potentially unsuitable recommendations by Hurtuk to customers. ([FINRA Case #2016051215301](#))

Roger Kroeger ([CRD #1526864](#), Fort Lauderdale, Florida)

September 5, 2018 – An AWC was issued in which Kroeger was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Kroeger consented to the sanction and to the entry of findings that he refused to appear for FINRA on-the-record testimony. ([FINRA Case #2017056614402](#))

Jeremy Keith Pritchett ([CRD #6774871](#), Phenix City, Alabama)

September 5, 2018 – An AWC was issued in which Pritchett was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Pritchett consented to the sanction and to the entry of findings that he refused to appear for FINRA on-the-record testimony in connection with its investigation into allegations that he engaged in theft from multiple customers at a bank affiliated with his member firm. ([FINRA Case #2017056517801](#))

Juergen Weber ([CRD #2617323](#), Virginia Beach, Virginia)

September 5, 2018 – An AWC was issued in which Weber was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Weber consented to the sanction and to the entry of findings that he refused to appear for FINRA

on-the-record testimony in connection with its investigation into allegations that he made unsuitable recommendations and executed unauthorized trades in a customer account. ([FINRA Case #2017056035501](#))

Benjamin S. Johnson ([CRD #5742748](#), Canal Winchester, Ohio)

September 6, 2018 – An AWC was issued in which Johnson was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Johnson consented to the sanction and to the entry of findings that he failed to provide FINRA with requested documents and information in connection with its investigation concerning his failure to timely disclose to FINRA several reportable financial events, including seven liens and judgments. ([FINRA Case #2017053315701](#))

Donna Lynn Barnard ([CRD #5653949](#), Henderson, Texas)

September 7, 2018 – An AWC was issued in which Barnard was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Barnard consented to the sanction and to the entry of findings that she failed to provide FINRA with documents and information requested in connection with its review of her participation in sales of notes related to a group of unregistered investment companies. ([FINRA Case #2018057494201](#))

Edward O. Daniel ([CRD #808225](#), Arlington, Texas)

September 7, 2018 – An AWC was issued in which Daniel was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Daniel consented to the sanction and to the entry of findings that he failed to provide FINRA with documents and information requested during the course of an investigation into whether he made unsuitable recommendations to purchase securities to his member firm's customer. ([FINRA Case #2015045713303](#))

Jerry Davis Raines ([CRD #4578689](#), Kilgore, Texas)

September 7, 2018 – An AWC was issued in which the individual was barred from association with any FINRA member in all capacities. Without admitting to or denying the findings, Raines consented to the sanction and to the entry of findings that he failed to provide FINRA with documents and information in connection with its review of his participation in sales of notes related to a group of unregistered investment companies. ([FINRA Case #2018057494202](#))

Howard Raymond Utz ([CRD #2672208](#), Mars, Pennsylvania)

September 7, 2018 – An AWC was issued in which Utz was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Utz consented to the sanction and to the entry of findings that he failed to provide FINRA with requested documents and information in connection with its review of allegations reported by his member firm on his Uniform Termination Notice for Securities Industry Registration (Form U5) that he accepted checks from clients made personally payable to him, with subsequent conversion to personal use. ([FINRA Case #2018058719801](#))

William Ruan ([CRD #5827653](#), Chicago, Illinois)

September 10, 2018 – An AWC was issued in which Ruan was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Ruan consented to the sanction and to the entry of findings that he failed to appear for FINRA on-the-record testimony in connection with its investigation of allegations reported on Ruan's Form U5 regarding the accuracy of requests for reimbursement of transportation and meal expenses. ([FINRA Case #2017053599501](#))

Jeffery Joseph Kelly ([CRD #3223982](#), Williamsville, New York)

September 12, 2018 – An AWC was issued in which Kelly was barred from association with any FINRA member in all capacities. Without admitting to or denying the findings, Kelly consented to the sanction and to the entry of findings that he failed to provide FINRA with documents and information requested in connection with an investigation into whether he had engaged in conversion and/or misappropriation. ([FINRA Case #2017056534501](#))

Thomas Joseph Logue Jr. ([CRD #1700554](#), Hinsdale, Illinois)

September 14, 2018 – An AWC was issued in which Logue was barred from association with any FINRA member in all capacities. Without admitting to or denying the findings, Logue consented to the sanction and to the entry of findings that he refused to appear for FINRA on-the-record testimony in connection with an investigation of his trading activities while registered with his member firm to determine whether he engaged in conduct that violated federal securities laws or regulations or FINRA rules. ([FINRA Case #2018057025501](#))

David A. Clark ([CRD #6520351](#), O'Fallon, Illinois)

September 19, 2018 – An Office of Hearing Officers (OHO) decision became final in which Clark was barred from association with any FINRA member in all capacities. The sanction was based on findings that Clark failed to appear and provide FINRA with requested on-the-record testimony related to an investigation initiated after his member firm filed a Form U5 terminating him for publishing an eBook online without prior approval from the firm. The findings stated that that Clark operated an unapproved website and a social media page to promote his business as a registered representative of a broker-dealer. ([FINRA Case #2016050212201](#))

David Jonathan Bolton ([CRD #5038018](#), Bowling Green, Kentucky)

September 21, 2018 – An OHO decision became final in which Bolton was barred from association with any FINRA member in all capacities. The sanction was based on findings that Bolton engaged in unsuitable short-term trading of Class A mutual fund shares in the accounts of his two largest customers, one of whom was the 101 year-old mother of the other, and unsuitably split one of the customer's mutual fund investments into 42 different funds across 11 fund families. The findings stated Bolton's actions caused the customers to pay \$24,747 in unnecessary sales charges. Bolton's mutual fund trading was unsuitable because the short-term nature of the trades conflicted with the customers' longer-term investment horizon and made the trades presumptively unsuitable. Moreover, the \$24,747 in sales charges outweighed any marginal benefit from the new mutual funds,

and the new mutual funds' objectives and risks were similar to the funds sold. In addition, splitting one of the customer's investment funds into 42 different mutual funds in 11 fund families generated higher sales charges because the customer was unable to take advantage of savings from breakpoints available for larger investments. The findings also stated that Bolton caused his member firm to maintain inaccurate books and records by mismarking or causing others to mismark as unsolicited electronic order tickets for trades that he had in fact, solicited. The findings also included that Bolton caused his firm to fail to preserve accurate books and records by taking the files of his customers with him when he moved from the firm to another firm and later destroying those files. ([FINRA Case #2016049775701](#))

Robert Todd Clark ([CRD #810261](#), Scituate, Massachusetts)

September 21, 2018 – An AWC was issued in which Clark was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Clark consented to the sanction and to the entry of findings that he refused to appear for FINRA on-the-record testimony in connection with an investigation into allegations that he withdrew money, without customer authorization, from a customer's brokerage account for which he was the trustee, and then used the money for his own purposes. ([FINRA Case #2018057361101](#))

J. Gordon Cloutier Jr. ([CRD #2817022](#), Allen, Texas)

September 24, 2018 – An OHO decision became final in which Cloutier was barred from association with any FINRA member in all capacities. The sanction was based on findings that Cloutier failed to appear and provide testimony to FINRA during the course of its investigation of him after his member firm filed a Form U5 disclosing that it had terminated his association with the firm because he asked a client for a personal loan and that he did not confirm authorization on the same day with the client before attempting a trade. ([FINRA Case #2016051652702](#))

Matthew Evan Eckstein ([CRD #2997245](#), Syosset, New York)

September 25, 2018 – An OHO decision became final in which Eckstein was barred from association with any FINRA member in all capacities and ordered to pay \$961,781, plus interest, in restitution to customers. The sanctions were based on findings that Eckstein made false and misleading statements in connection with purchases and sales of securities in willful violation of Section 10(b) of the Securities and Exchange Act of 1934, and Exchange Act Rule 10b-5, as well as FINRA Rules 2020 and 2010. The findings stated that while relying on Eckstein's recommendations, four customers invested a total of \$1.36 million in a company (the Issuer) run by one of his close friends. Eckstein gave the customers no written materials describing the investment or any note or other agreement memorializing the customers' purchases. Rather, the undocumented transactions appear to have been part of a spurious investment scheme run by Eckstein's friend. Eckstein also persuaded one of his customers to liquidate close to \$300,000 in mutual fund holdings

in order to invest in the Issuer, representing that the investment would be sufficient to fund her retirement while the mutual fund investments would not. Eckstein had no basis, however, for urging the customer to replace her mutual funds with an investment in the Issuer. Eckstein had conducted no due diligence on the investment. Moreover, Eckstein never disclosed to his customers his lack of a basis for his representations and recommendations, and his lack of due diligence—material information to any reasonable investor. Eckstein also failed to disclose financial connections to his friend that would have caused a reasonable investor to question Eckstein’s objectivity and the safety of his or her money. Eckstein did not disclose that his friend had given him over \$100,000, purportedly as a loan that the friend then forgave. Eckstein did not disclose that nearly all of the money that his customers gave him to invest in the Issuer was deposited into a bank account in the name of an affiliate of the Issuer, and that he had access to those investor funds as a signatory on the bank account. The findings also stated that, given the customers’ circumstances—they all had little to no investment experience and had highly conservative investment objectives and risk tolerance—the investment was unsuitable for these customers in particular, and thus Eckstein also violated FINRA Rules 2111 and 2010. The findings also included Eckstein’s violation of applicable NASD and FINRA rules when he sold away from his member firm by participating in many of these private securities transactions outside the regular scope and course of his work without giving the firm the required prior written notice. FINRA further found that after Eckstein left the firm and started his own broker-dealer firm, he caused his broker-dealer firm to violate FINRA’s applicable books and records rules by failing to preserve customer emails, text messages, facsimiles and account summaries that he created for and sent to some customers. Finally, FINRA also found that during FINRA’s investigation, Eckstein failed to respond timely and completely to one request for documents and information, failed to respond timely to two subsequent requests, and then failed to provide any information at all in response to two more requests by FINRA, all in violation of FINRA Rules 8210 and 2010. ([FINRA Case #2017054146302](#))

Jacob Daniel Bourne (CRD #2778063, Scarsdale, New York)

September 27, 2018 – An AWC was issued in which Bourne was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Bourne consented to the sanction and to the entry of findings that he failed to provide FINRA with requested documents and information in connection with its investigation concerning his involvement in a potential mismarking incident on his member firm’s U.S. inflation desk. ([FINRA Case #2017054943001](#))

Individuals Suspended

Leslie George Markus Jr. ([CRD #2688964](#), Bethlehem, Pennsylvania)

September 4, 2018 – An OHO decision became final in which Markus was fined \$10,000 and suspended from association with any FINRA member in all capacities for two years. The sanctions were based on findings that Markus executed unauthorized mutual fund purchases in a customer's account. The findings stated that Markus misrepresented facts to his member firm on two occasions. Markus misrepresented in his firm's client notes software system that he had spoken to the customer and that the customer had authorized his mutual fund purchases. In addition, when reversing the mutual fund purchases in the customer's account, Markus misrepresented on trade correction forms that he understood he had a mandate to enter the trades. By these actions, Markus was intentionally concealing his misconduct from the firm. The findings also stated in response to its request for information, Markus falsely represented to FINRA that the customer had granted him time and price discretion when, in fact, he had not.

The suspension is in effect from September 17, 2018, through September 16, 2020. ([FINRA Case #2015047069701](#))

Richard Hiroyuki Yada ([CRD #1077317](#), Little Rock, Arkansas)

September 4, 2018 – An AWC was issued in which Yada 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, Yada consented to the sanctions and to the entry of findings that he used discretion in the accounts of customers without prior written authorization from the customers and without having the accounts accepted as discretionary accounts by his member firm. The findings stated that Yada engaged in the use of discretion despite acknowledging on the firm's annual compliance questionnaires his awareness that it prohibited use of discretion. In addition, when the firm directly asked Yada whether he was using discretion to place trades in customer accounts, he denied the conduct, admitting to the use of discretion only after FINRA began its investigation.

The suspension was in effect from September 4, 2018, through November 3, 2018. ([FINRA Case #2017053623901](#))

Andrew Markman Arthur ([CRD #1864083](#), New York, New York)

September 5, 2018 – An AWC was issued in which Arthur was fined \$5,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Arthur consented to the sanctions and to the entry of findings that he submitted falsified brokerage account statements to real estate agents in support of two apartment rental applications for himself and another family member using his member firm issued email. The findings stated that each statement falsely represented that Arthur maintained an account value of over \$1,800,000, when the actual value of the account was nearly zero. In both instances, Arthur submitted the falsified account statements to increase the amount of support for the applications.

The suspension is in effect from October 1, 2018, through January 31, 2019. ([FINRA Case #2017054849701](#))

Richard Stephen Hughes (CRD #1537720, New Lenox, Illinois)

September 5, 2018 – An AWC was issued in which Hughes was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for eight months. FINRA did not impose restitution since Hughes' member firm settled with the senior customer related to this matter by reimbursing her the total amount of the disputed commissions. Without admitting or denying the findings, Hughes consented to the sanctions and to the entry of findings that he made unsuitable recommendations to the customer resulting in short-term switches between unit investment trusts (UITs) and Class A-share mutual funds, products designed to be held for the long-term. The findings stated that the customer's account incurred over \$34,000 in excessive commissions and fees that resulted from the short-term trading of the UITs and Class A-share mutual funds. Hughes' recommendations were unsuitable because of the frequency and cost of these transactions. The findings also stated that Hughes created a script for the customer to use if contacted by the firm about the transactions. The script contained false statements, including that the customer understood the costs associated with the short-term trading of long-term products. Hughes also stated falsely to the customer that his supervisor was going to contact her to check on the transactions because of her age. When Hughes' direct supervisor contacted the customer, she did not utilize the script and instead informed the supervisor that she was not aware of the commissions charged in her account, and that Hughes provided her a statement to read to the firm if she was contacted, and that the statement was false.

The suspension is in effect from September 17, 2018, through May 16, 2019. ([FINRA Case #2016051750001](#))

John W. Ferramosca (CRD #5363444, Hoboken, New Jersey)

September 7, 2018 – An AWC was issued in which Ferramosca 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, Ferramosca consented to the sanctions and to the entry of findings that he caused his member firm's books and records to contain inaccurate information by changing in the firm's computer system customers' telephone numbers to his own telephone number.

The suspension was in effect from September 17, 2018, through October 16, 2018. ([FINRA Case #2017053300001](#))

Michael Francis Prcela (CRD #3132356, Fairview Park, Ohio)

September 7, 2018 – An AWC was issued in which Prcela was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for nine months. Without admitting or denying the findings, Prcela consented to the sanctions and to the entry of findings that he caused non-reimbursable expenses to be reimbursed

by his member firm and prevented it from determining whether the expenses were consistent with its policies. The findings stated that Prcela submitted business expense reimbursement requests, totaling approximately \$5,300, that he knew were not compliant with the firm's reimbursement policies. Prcela obtained firm approval for these expense reimbursements by providing inaccurate information to it regarding the expenses.

The suspension is in effect from September 17, 2018, through June 16, 2019. ([FINRA Case #2016051449201](#))

Ryan Christopher Stefan (CRD #2910196, Westlake, Ohio)

September 7, 2018 – An AWC was issued in which Stefan was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for one year. Without admitting or denying the findings, Stefan consented to the sanctions and to the entry of findings that he caused non-reimbursable expenses to be reimbursed by his member firm and prevented the firm from determining whether the expenses were consistent with its policies. The findings stated that Stefan submitted business expense reimbursement requests, totaling approximately \$16,000, that he knew were not compliant with the firm's reimbursement policies. Stefan obtained firm approval for these expense reimbursements by providing inaccurate information to it regarding the expenses. Stefan also altered a receipt for an expense for \$587.50 to conceal that the event occurred at a venue at which the firm prohibited its employees from entertaining clients.

The suspension is in effect from September 17, 2018, through September 16, 2019. ([FINRA Case #2016051449001](#))

George Louis McCaffrey III (CRD #847377, Littleton, Colorado)

September 10, 2018 – An AWC was issued in which McCaffrey was assessed a deferred fine of \$15,000, suspended from association with any FINRA member in all capacities for 18 months and ordered to pay \$124,250, plus interest, in deferred disgorgement of commissions received. Without admitting to or denying the findings, McCaffrey consented to the sanctions and to the entry of findings that without first providing notice to his member firm, he participated in undisclosed private securities transactions in which investors, including one firm customer, purchased \$1,775,000 in debt and equity securities. The findings stated that McCaffrey introduced the investors to representatives of a greenhouse building and leasing company so they could invest in the company. McCaffrey reviewed and edited documents relating to the investments, forwarded investment-related documents to the customers and communicated with the customers about their investments. Those investors purchased \$1,775,000 in promissory notes of the greenhouse building and leasing company and preferred stock in one of the company's affiliates. In connection with these transactions, the company paid \$124,250 in commissions to an entity controlled by McCaffrey's wife. The transactions were not executed through the firm, and McCaffrey did not give the firm prior written notice that he would be participating

in them. The findings also stated that McCaffrey incorrectly indicated on the firm's annual compliance questionnaire that he had not participated in any private securities transactions.

The suspension is in effect from September 17, 2018, through March 16, 2020. ([FINRA Case #2017056104701](#))

Luke A. Eddy (CRD #6364037, Worcester, Massachusetts)

September 11, 2018 – An AWC was issued in which Eddy 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, Eddy consented to the sanctions and to the entry of findings that he impersonated an elderly customer during a call with his member firm in order to transfer funds from the customer's Individual Retirement Account (IRA) to her bank account. The findings stated that after the firm had rejected the initial transfer request, Eddy forged the customer's signature on an IRA distribution form transferring the funds to the customer's bank account. Eddy impersonated the elderly customer during a recorded call with the firm requesting that a check for the balance of her account be mailed to her and then represented in the firm's account-notation system that his elderly customer had visited his office that day and that he had confirmed her identity by her driver's license, neither of which had taken place. The firm did not process the distribution, however, due to suspicion that Eddy may have impersonated the customer. The findings also stated that Eddy forged the elderly customer's signature on the IRA distribution form requesting that the customer's account balance be wired to her bank account and once again placed an inaccurate statement in the firm's account-notation system that the elderly customer had visited his office to sign the form. The firm approved the distribution and wired approximately \$3,400 from the customer's firm IRA to her bank account.

The suspension is in effect from September 17, 2018, through December 16, 2018. ([FINRA Case #2017054598001](#))

Robert Matthew Krieger (CRD #2441634, New York, New York)

September 11, 2018 – An AWC was issued in which Krieger was fined \$10,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Krieger consented to the sanctions and to the entry of findings that he engaged in an outside business activity without providing prior written notice to his member firm. The findings stated that the Krieger requested the firm's approval to enter into a partnership with four individuals through which he would provide financial guidance to various entities on licensing contracts, mergers and acquisitions, and pension plan and employee benefits under another company's name. The firm did not approve the Krieger's request, however, he continued his outside activities, including researching and soliciting potential customers, drafting an operating agreement

and consulting with attorneys and an accountant. The findings also stated that Krieger failed to disclose reportable events via the timely filing of an amended Uniform Application for Securities Industry Registration or Transfer (Form U4). The individual entered into agreements pursuant to which he settled via short sale the amounts due and owing on a mortgage and a line of credit secured by his prior personal residence.

The suspension is in effect from October 1, 2018, through January 31, 2019. ([FINRA Case #2016051351001](#))

Ryan Alexander Logan (CRD #4950854, Laguna Beach, California)

September 12, 2018 – An AWC was issued in which Logan 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, Logan consented to the sanctions and to the entry of findings that he caused his member firm’s books and records to be inaccurate by representing that he was the broker of record for variable annuity applications when, in fact, he had not substantially participated in those transactions. The findings stated that Logan’s unregistered sales assistant solicited the sale of the variable annuities to customers despite not being licensed to do so and, in each instance, Logan signed his name as the broker of record. The findings also stated that Logan paid to his unregistered sales assistant a total of approximately \$13,000 in commissions derived from the sale of the variable annuities.

The suspension is in effect from September 17, 2018, through December 16, 2018. ([FINRA Case #2018057036201](#))

Jeffrey Evan Sigman (CRD #1418621, Denver, Colorado)

September 13, 2018 – An AWC was issued in which Sigman 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, Sigman consented to the sanctions and to the entry of findings that he failed to disclose an outside business activity to his member firm. The findings stated that Sigman filed the articles of incorporation for a limited liability corporation that financed sub-prime auto loans. Sigman owned a nine percent equity stake in the corporation, worked three to five hours per week and earned compensation. The findings also stated that Sigman inaccurately filled out his firm’s personal activity questionnaire stating that he was not engaged in any outside business activity for which he was receiving compensation.

The suspension is in effect from September 17, 2018, through November 16, 2018. ([FINRA Case #2016050093401](#))

Jeffrey Scott Kidwell ([CRD #1306296](#), West Palm Beach, Florida)

September 14, 2018 – An AWC was issued in which Kidwell was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Kidwell consented to the sanctions and to the entry of findings that he willfully failed to timely amend his Form U4 to disclose two bankruptcies, one civil judgment and six federal tax liens.

The suspension is in effect from September 17, 2018, through March 16, 2019. ([FINRA Case #2017055255001](#))

Jose Luis Leon ([CRD #1789460](#), Palmetto Bay, Florida)

September 19, 2018 – An AWC was issued in which Leon was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting to or denying the findings, Leon consented to the sanctions and to the entry of findings that he failed to supervise and review the former CEO and head trader of his member firm in a manner reasonably designed to achieve compliance with applicable FINRA rules. The findings stated that Leon failed to review the former CEO and head trader's transactions for prohibited activities, such as interpositioning, and non-bona fide transactions, such as pre-arranged trading. Instead, Leon permitted the former CEO and head trader to review his own trading activities.

The suspension is in effect from October 1, 2018, through March 31, 2019. ([FINRA Case #2014041264603](#))

Ian Greenblatt aka Eric Green ([CRD #2276966](#), Kingspark, New York)

September 21, 2018 – An AWC was issued in which Greenblatt was fined \$10,000 and suspended from association with any FINRA member in all capacities for 30 days. Without admitting or denying the findings, Greenblatt consented to the sanctions and to the entry of findings that he settled a customer complaint away from his member firm. The findings stated that the customers, a married couple, became dissatisfied with the performance of their brokerage account as a result of it having declined in value by over \$170,000. One of these customers complained verbally to Greenblatt about his management of their brokerage account and the losses they incurred. Greenblatt did not report the customer's complaint to the firm. Greenblatt met with the customers at their home to discuss their complaint, and at that meeting he wrote a personal check in the amount of \$46,000 payable to customers' son, who is not a customer of Greenblatt or the firm, in settlement of the customer's complaint. Greenblatt also gave them \$4,000 in cash at the meeting. During the meeting, Greenblatt and the customers agreed that Greenblatt would attempt to generate trading profits to recoup the losses suffered by the customers in their brokerage account. Greenblatt was unable to recover the losses that the customers had suffered, and the customers filed an arbitration against Greenblatt.

The suspension was in effect from October 15, 2018, through November 13, 2018. ([FINRA Case #2017055701001](#))

Timothy Jay Scherwa ([CRD #2743773](#), Rockaway Township, New Jersey)

September 24, 2018 – An AWC was issued in which Scherwa was fined \$7,500 and suspended from association with any FINRA member in all capacities for two months. Without admitting to or denying the findings, Scherwa consented to the sanctions and to the entry of findings that he exercised discretionary trading authority by executing trades in non-discretionary customer accounts without written authorization from the customers and without prior written acceptance of the accounts as discretionary from his member firm. The findings stated that Scherwa falsely stated on firm annual compliance certifications that he did not have accounts for which he exercised discretion over trading activities.

The suspension is in effect from October 15, 2018, through December 14, 2018. ([FINRA Case #2017056095001](#))

Kenneth Edward Greer Jr. ([CRD #4852111](#), Denver, Colorado)

September 25, 2018 – An AWC was issued in which Greer 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, Greer consented to the sanctions and to the entry of findings that he participated in outside business activities without providing written notice to his member firm. The findings stated that Greer provided written notice to his firm that he intended to participate in the management of an investment fund, the purpose of which was to make real estate investments in the legal cannabis industry. Upon receiving the firm's approval, Greer participated in managing the fund. However, without providing prior written notice to the firm, Greer formed at least three additional legal entities for the purpose of buying and holding real estate on behalf of the fund and providing real estate management services to properties purchased by it. Greer participated in the management of those three outside businesses and he received compensation for doing so.

The suspension is in effect from October 1, 2018 through November 30, 2018. ([FINRA Case #2016049134902](#))

Robert Charles Torcivia ([CRD #700880](#), Glendale, Arizona)

September 26, 2018 – An AWC was issued in which Torcivia was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for seven months. Without admitting or denying the findings, Torcivia consented to the sanctions and to the entry of findings that he improperly accepted fiduciary and beneficiary designations from three separate senior customers contrary to his member firms' policies. The findings stated that Torcivia was a designated fiduciary on one health care Power of Attorney (POA) for one customer and two health care POAs for a second customer. Torcivia's wife was also designated as a beneficiary on the IRA of the second customer,

and he was designated as a beneficiary on a trust established by a third customer. Torcivia failed to inform his firm supervisors of these beneficiary listings, and did not request that the customers remove these beneficiary listings, as required by relevant firm policies. Ultimately, Torcivia's wife inherited approximately \$133,000 from the second customer's IRA, and he inherited approximately \$30,000 from the third customer's trust. The findings also stated that Torcivia inaccurately represented that he was not named in a fiduciary capacity on compliance attestation forms he submitted to one of the firms.

The suspension is in effect from October 1, 2018, through April 30, 2019. ([FINRA Case #2015044686701](#))

Geoffrey Colin Turner ([CRD #4007735](#), Tybee Island, Georgia)

September 28, 2018 – An AWC was issued in which Turner was fined \$7,500, suspended from association with any FINRA member in all capacities for 30 days and must undertake to attend and satisfactorily complete eight hours of continuing education concerning the sale of variable annuities and the factors to be considered in determining when such products are suitable. Without admitting or denying the findings, Turner consented to the sanctions and to the entry of findings that he recommended certain L-share variable annuities to his customers without a reasonable basis for believing that the recommendations were suitable. The findings stated that Turner recommended L-share class variable annuities to customers and recommended that the customers also purchase long-term riders in all instances. Turner recommended that his customers buy higher-cost share class contracts without understanding the costs and benefits of these products. Turner failed to use reasonable diligence to understand the costs associated with the variable annuities he was recommending and how such costs impact each contract's surrender value. The findings also stated that Turner did not understand that the L-share class variable annuity would be more expensive than the B-share class for customers who held their annuities for at least seven years. Turner did not have a reasonable basis to recommend combining the L-share class annuities with riders. Turner did not understand the terms of these riders, and could not reasonably explain why he recommended that customers pay premiums for short-term liquidity by purchasing an L-share contract, while simultaneously recommending that they pay premiums for a rider that only would provide benefits for long-term investors. As a result of Turner's lack of understanding of the L-share class variable annuities, he was unable to inform customers of the various features of the products he was recommending, including the potential surrender charges, expenses and charges of the variable annuity.

The suspension was in effect from October 15, 2018, through November 13, 2018. ([FINRA Case #2016049232201](#))

Complaints Filed

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

TriPoint Global Equities, LLC ([CRD #143174](#), New York, New York), Michael Robert Boswell ([CRD #5292563](#), Gaithersburg, Maryland) and Andrew Dean Kramer ([CRD #4847677](#), Norfolk, Virginia)

September 7, 2018 – The firm, Boswell and Kramer were named respondents in a FINRA complaint alleging that the firm, through Boswell, its anti-money laundering (AML) compliance officer and CCO, and Kramer, its head of trading, failed to establish and implement AML policies and procedures reasonably designed to detect and report suspicious activity, including AML red flags, in connection with the firm's penny stock business. The complaint alleges that the firm engaged in the penny stock business, effecting transactions for customers whose primary trading activity involved the deposit and prompt liquidation of low-priced securities (also known as "penny stocks" or "microcap stocks"). The firm, Boswell and Kramer were aware that these customers' toxic-debt financing business model, which was disclosed at account opening, was to deposit penny stocks and immediately begin liquidating the positions. Nonetheless, the respondents failed to develop and implement an AML program to address the heightened risks inherent in these customers' activities. In addition, the firm, through Boswell and Kramer, failed to monitor for, detect, or further investigate the red flags for penny stock transactions identified in its own AML plan. Kramer also did not treat a customer's high percentage of total market volume as potentially suspicious given the illiquid nature of penny stock securities. As a result, the firm, Boswell and Kramer failed to identify or investigate red flags in connection with the particular customer's deposit and liquidation of low-priced securities. Because the respondents did not adequately identify or consider numerous red flags related to this customer's liquidation of penny stocks, they also failed to adequately consider whether to file a Suspicious Activity Report as required by the Bank Secrecy Act and its implementing regulations. The complaint also alleges that the firm failed to comply with the registration requirements of Section 5 of the Securities Act of 1933 by engaging in the unlawful re-sales of shares of restricted securities of two penny stock issuers into the public market on behalf of the customer. The complaint further alleges that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with the registration requirements of Section 5 of the Securities Act of 1933 for the re-sales of restricted securities. Kramer was responsible for the daily supervision of the firm's microcap securities liquidation business, including approving or rejecting deposits of restricted securities for re-sale. At the time of deposit, Kramer

reviewed the supporting documents and information provided by firm customers that purported to establish that the customer's securities were eligible for re-sale into the secondary market, without performing a searching inquiry as required. Instead, Kramer relied on the customers' representations and supporting documents submitted at the time of deposit. In addition, the firm did not require Kramer, or anyone else, to perform an analysis to determine whether shares were legally permissible for re-sale at the time of liquidation. Consequently, the firm failed to identify that the re-sales in shares of two penny stock issuers were not eligible for the SEC Rule 144 Safe Harbor, and by extension the Section 4(a)(1) exemption under the Securities Act, and thus, contravened Section 5. ([FINRA Case #2015048172801](#))

Michael John Ahearn (CRD #2661001, New Hope, Pennsylvania)

September 12, 2018 – Ahearn was named a respondent in a FINRA complaint alleging that he provided FINRA false information in a written response to its request and false testimony during an on-the-record interview. The complaint alleges that on multiple account opening documents for an individual's trust, Ahearn represented that another registered representative, the trustee for that individual's trust and authorized person on the accounts, was not employed by a FINRA member firm or other financial services company. When FINRA sent Ahearn a request asking about these account-opening documents, Ahearn stated that representative had told him he was unemployed and had never told him that he was a representative at another broker-dealer. The complaint also alleges that Ahearn repeated this story in a later on-the-record interview when he testified, under oath, that the representative had told him he was unemployed and that Ahearn did not learn that he worked for another broker-dealer until after opening the individual's accounts. Ahearn has since admitted these statements were false. Ahearn knew at the time he opened the individual's accounts that the representative was employed by another broker-dealer, and he deliberately misled FINRA about that fact. ([FINRA Case #2016051389101](#))

Marc Anthony Last (CRD #6366775, Conshohocken, Pennsylvania)

September 17, 2018 – Last was named a respondent in a FINRA complaint alleging that he converted \$5,000 from one of his customer's variable annuity accounts. The complaint alleges that Last forged the customer's signature on the partial withdrawal form directing transfer of the funds to Last's personal bank account without the customer's knowledge or authorization. The complaint also alleges that Last caused his member firm to make and preserve inaccurate books and records by making inaccurate entries on the partial withdrawal form by falsely representing that the bank account receiving the \$5,000 wire transfer from the customer belonged to the customer, and by adding the customer's forged signature. The complaint further alleges that Last failed to provide to FINRA documents and information, and testimony requested, in connection with its investigation into the allegations of conversion and forgery of customer signatures. ([FINRA Case #2016052434001](#))

Partho Sarathi Ghosh ([CRD #1983427](#), Princeton, New Jersey

September 27, 2018 – Ghosh was named a respondent in a FINRA complaint alleging that he engaged in an undisclosed and unapproved outside business activity. The complaint alleges that Ghosh did not provide his member firm with prior written notice that he was the owner and sole director of a corporation through which he marketed structured finance solutions to potential customers. During his onboarding process with the firm and its affiliated insurance company, Ghosh was instructed to cease and desist from operating a business with a substantially similar business model as a condition of his hiring. Nevertheless, Ghosh incorporated his corporation and did not disclose the business to the firm or its affiliated insurance company. Ghosh contacted potential customers from his corporation's email account offering to provide indicative pricing for a Protected Income Note (PIN), which he described as a private placement, and sought to schedule meetings with those potential customers. Ghosh described the PINs as retirement vehicles providing guaranteed monthly cash flows with an inflation hedge. Ghosh explained that the PINs were investment vehicles that would combine a portfolio of securities with his firm's company-issued life insurance or annuity products. During an office inspection, a firm representative found business cards for Ghosh's corporation in his office. The firm instructed Ghosh to cease using the unapproved business cards and to submit an outside business activity application for his corporation. Ghosh did not provide written notice of his outside business activity to the firm until two months after the firm confronted him and instructed him to do so. ([FINRA Case #2016051615301](#))

Firms Expelled for Failure to Pay Fines and/or Costs Pursuant to FINRA Rule 8320

IMS Securities, Inc. (CRD #35567)
Houston, Texas
(September 5, 2018)
FINRA Case #2014039417401

Windsor Street Capital, LP fna Meyers Associates, LP (CRD #34171)
New York, New York
(September 5, 2018)
FINRA Case #2014043859101

Firms Suspended for Failure to Supply Financial Information 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.)

J. J. & M. Geldzahler (CRD #5797)
Brooklyn, New York
(September 16, 2018)

TMR Bayhead Securities, LLC (CRD #137264)
Poughkeepsie, New York
(September 10, 2018)
FINRA Case #2018058133901/FPI180002

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.)

Denise Ann Canez (CRD #6276180)
Woodstock, Illinois
(September 24, 2018 –
September 28, 2018)
FINRA Case #2018058264701

James Travis Flynn (CRD #3082615)
Greer, South Carolina
(September 4, 2018)
FINRA Case #2017053354701

Glenn Thomas Grosek (CRD #4486110)
Mountain Top, Pennsylvania
(September 24, 2018)
FINRA Case #2018058188401

Phillip Andrew Johnson (CRD #501352)
Murfreesboro, Tennessee
(September 24, 2018)
FINRA Case #2018056846001

Lloyd Mark Johnston (CRD #1626695)
Spokane, Washington
(September 4, 2018)
FINRA Case #2018057318201

Robin Rose Lomont (CRD #6288734)
Eugene, Oregon
(September 17, 2018)
FINRA Case #2018058323401

Bradley Taylor Pace (CRD #2097427)
Celebration, Florida
(September 7, 2018 – September 14, 2018)
FINRA Case #2018057561501

Damian Serret (CRD #6016488)
Miami, Florida
(September 14, 2018)
FINRA Case #2017056033901

James Christopher Ward (CRD #6057228)
Fort Myers, Florida
(September 4, 2018)
FINRA Case #2018058038201

Stephen Paul Yaworsky (CRD #2355435)
Honolulu, Hawaii
(September 24, 2018)
FINRA Case #2018058315701

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.)

Jose Angel Arizmendi (CRD #2927350)
Huntington Beach, California
(September 24, 2018)
FINRA Case #2018057324301

Tami Susan Balas (CRD #2251085)
Montoursville, Pennsylvania
(September 7, 2018)
FINRA Case #2017056821201

Mauricio Borja (CRD #6102733)
Mission, Texas
(September 7, 2018)
FINRA Case #2018058726501

Brian Coffey (CRD #5862290)
Roanoke, Texas
(September 7, 2018)
FINRA Case #2018058588301

Rita Marie Dulya (CRD #2050796)
Port St. Lucie, Florida
(September 7, 2018)
FINRA Case #2017055835001

Makisha Ian Evans (CRD #4906276)
Altamonte Springs, Florida
(September 13, 2018)
FINRA Case #2018058791001

Brendan Daniel Feitelberg (CRD #4897015)
Boston, Massachusetts
(September 13, 2018)
FINRA Case #2018058123601

Edgar Guzman-Gonzalez (CRD #6697121)
Los Angeles, California
(July 6, 2018 – September 18, 2018)
FINRA Case # 2018057015901

Mario R. Jimenez (CRD #6377573)
Orlando, Florida
(September 14, 2018)
FINRA Case #2018057619601

Frantz Justafort (CRD #2798024)
Chestnut Ridge, New York
(September 14, 2018)
FINRA Case #2018058606901

Linda Lin (CRD #6738884)
Piscataway Township, New Jersey
(September 21, 2018)
FINRA Case # 2017054385901

Nicholas Brent Maddox (CRD #4732456)
Cerritos, California
(September 17, 2018)
FINRA Case #2017056677901

Gustavo Madrigal-Flores (CRD #6860773)
Greenfield, California
(September 14, 2018)
FINRA Case #2018058787101

Virginia M. Nichols (CRD #1674308)
Richmond Hill, Georgia
(September 10, 2018)
FINRA Case #2018058501301

Michael Jason Nickoli (CRD #5576076)
Birmingham, Alabama
(September 17, 2018 – November 2, 2018)
FINRA Case #2018058622701

Jeffrey Lance Offen (CRD #2893980)
Whitestone, New York
(July 2, 2018 – September 14, 2018)
FINRA Case #2017052710601

Isaac Preston Onu (CRD #5952312)

Atlanta, Georgia
(September 24, 2018)
FINRA Case #2018058688001

Michael James Resciniti (CRD #4006304)

Medford, New York
(September 10, 2018)
FINRA Case #2018058707101

Mark Joseph Sachse (CRD #5155260)

Overland Park, Kansas
(September 10, 2018)
FINRA Case #2018057939001

Jaime Leigh Schwede (CRD #6935733)

Minot, North Dakota
(September 24, 2018)
FINRA Case #2018059037001

Zachary Sherry Jr. (CRD #6567328)

Walden, New York
(September 10, 2018)
FINRA Case #2018058243901

**Christopher Albert Simonds
(CRD #6636374)**

Fort Myers, Florida
(September 10, 2018)
FINRA Case #2018058738801

Kimberley Lynn Sredich (CRD #2847564)

Davison, Michigan
(September 24, 2018)
FINRA Case #2018058991701

Dudley Franklin Stephens (CRD #4119268)

Malverne, New York
(September 28, 2018)
FINRA Case #2018059265601

Divanna Rocio Tejeda (CRD #6042878)

Clifton, New Jersey
(September 17, 2018)
FINRA Case #2018057888801

Derrick R. Trussell (CRD #5197550)

Schertz, Texas
(September 24, 2018)
FINRA Case #2018058999901

Rick Charles Walker (CRD #1627706)

Naples, Florida
(September 17, 2018)
FINRA Case #2017055515801

James Thomas Walters II (CRD #5943354)

Macon, Georgia
(September 17, 2018)
FINRA Case #2018058353701

Mohamed R. Yassin (CRD #1673281)

Jamaica, New York
(September 14, 2018)
FINRA Case #2017054716801

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

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

**Christopher Michael Cervino
(CRD #2778817)**

Franklin Lakes, New Jersey
(September 21, 2018)
FINRA Arbitration Case #16-02100

Abdul H. Chowdhury (CRD #5317924)

Bronx, New York
(September 6, 2018)
FINRA Arbitration Case #18-00586

Michael Patrick Durgin (CRD #1090625)

Bonita Springs, Florida
(September 12, 2018)
FINRA Arbitration Case #18-00077

Michael Giokas (CRD #1398674)

Clarence, New York
(September 21, 2018)
FINRA Arbitration Case #17-00672

Travis M. Marks (CRD #5909801)

Susanville, California
(September 6, 2018)
FINRA Arbitration Case #17-01179

Richard Vincent Minichino (CRD #5760862)

Peekskill, New York
(September 13, 2018)
FINRA Case #20180591996/ARB180024

Thomas Adam Park (CRD #3232662)

Los Angeles, California
(September 11, 2018)
FINRA Arbitration Case #13-03165

Brian Robert Roth (CRD #4607595)

Mendham, New Jersey
(September 14, 2018 – October 4, 2018)
FINRA Arbitration Case #13-00041

Whitney W. Stewart (CRD #4814657)

Atlanta, Georgia
(September 19, 2018)
FINRA Arbitration Case #18-00734

James Crosby Taylor (CRD #1632434)

Birmingham, Alabama
(September 11, 2018)
FINRA Arbitration Case #16-01328

FINRA Charges Broker with Fraud and Unlawful Distribution of Unregistered Cryptocurrency Securities

First Disciplinary Action by FINRA Involving Cryptocurrencies

FINRA announced that it filed a complaint against [Timothy Tilton Ayre](#) of Agawam, Massachusetts, charging him with securities fraud and the unlawful distribution of an unregistered cryptocurrency security called HempCoin. This case represents FINRA's first disciplinary action involving cryptocurrencies.

In the complaint, FINRA alleges that, from January 2013 through October 2016, Ayre attempted to lure public investment in his worthless public company, Rocky Mountain Ayre, Inc. (RMTN) by issuing and selling HempCoin – which he publicized as “the first minable coin backed by marketable securities” – and by making fraudulent, positive statements about RMTN's business and finances. RMTN was quoted on the Pink Market of OTC Markets Group and traded over the counter.

According to the [complaint](#), FINRA also alleges that in June 2015, Ayre bought the rights to HempCoin and repackaged it as a security backed by RMTN common stock. Ayre marketed HempCoin as “the world's first currency to represent equity ownership” in a publicly traded company and promised investors that each coin was equivalent to 0.10 shares of RMTN common stock. Investors mined more than 81 million HempCoin securities through late 2017 and bought and sold the security on two cryptocurrency exchanges. FINRA charges Ayre with the unlawful distribution of an unregistered security because he never registered HempCoin and no exemption to registration applied.

In addition, FINRA alleges that, from January 2013 through October 2016, Ayre defrauded investors in RMTN by making materially false statements and omissions regarding the nature of RMTN's business, failing to disclose his creation and unlawful distribution of HempCoin, and making multiple false and misleading statements in RMTN's financial statements.