

# Disciplinary and Other FINRA Actions

## Firms Fined, Individuals Sanctioned

Spartan Capital Securities, LLC (CRD #146251, New York, New York), John Dennis Lowry (CRD #4336146, New York, New York), and Kim Marie Monchik (CRD #2528972, Hazlet, New Jersey)

November 4, 2024 – The firm, Lowry, and Monchik appealed a National Adjudicatory Counsel (NAC) decision to the Securities and Exchange Commission (SEC). The firm was censured, fined \$600,000, and required to disclose arbitration filings and dispositions and other customer complaints at issue; retain an independent consultant to review its policies, systems, and procedures relating to disclosures on Uniform Application for Securities Industry Registration or Transfer (Form U4) and Uniform Termination Notice for Securities Industry Registration (Form U5); and make required updates to its registered representatives, including, Lowry and Monchik's, Forms U4 and U5. Lowry was fined \$20,000, suspended from association with any FINRA member in all capacities for two years, and required to disclose required arbitration filings and dispositions on his Form U4. Monchik was fined \$10,000, suspended from association with any FINRA member in all capacities for two years, and required to disclose required arbitration filings and dispositions on her Form U4. The NAC affirmed the findings and modified the sanctions imposed by the Office of Hearing Officers (OHO). The sanctions were based on the findings that the firm failed to amend, or timely amend, the Form U4s and Form U5s of its registered representatives, including those of its executive officers, including Lowry and Monchik; to disclose the filing or disposition of customer arbitrations; the receipt or disposition of written customer complaints; and reportable financial events. The findings stated that the firm's failures to disclose reportable events involving its executive officers was willful because the firm knowingly and intentionally elected to not disclose customer arbitrations and dispositions of arbitrations against its executive officers, including Lowry and Monchik, by amending their Form U4s. FINRA twice cautioned the firm that multiple arbitrations against Lowry and Monchik needed to be disclosed on their Forms U4. The findings also stated that Lowry willfully failed to amend his Form U4 to disclose, or timely disclose, the filing and disposition of customer arbitrations in which he was a named a respondent. The arbitrations naming Lowry resulted in 12 reportable awards and settlements totaling more than \$1.6 million. Lowry was a party to all the settlements and awards. The largest award was for \$330,000 and the largest settlement was for \$300,000, both of which Lowry disclosed untimely. Lowry never disclosed eight of the awards and settlements and disclosed four untimely. The findings also included that Monchik willfully failed to amend her Form U4 to disclose, or timely disclose, the filing and disposition of customer arbitrations in which she

## Reported for January 2025

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).

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was a named a respondent. Monchik was named as a respondent in 12 arbitrations alleging that she failed to supervise one or more registered representatives who committed sales practice violations. Monchik failed to disclose 11 arbitrations and untimely disclosed one arbitration 562 days late. The arbitrations in which Monchik was named resulted in awards or settlements totaling more than \$360,000. Monchik never disclosed two settlements, and she disclosed one award late.

The sanctions are not in effect pending review. ([FINRA Case #2019061528001](#))

**Drexel Hamilton, LLC** ([CRD #143570](#), New York, New York), **Michael Thomas Ivicic** ([CRD #6247801](#), Doylestown, Pennsylvania), **Thomas McClure Mead Jr.** ([CRD #330666](#), Vero Beach, Florida), **Frederick Dewitt Phelan** ([CRD #5838146](#), Lincoln, Nebraska), and **David Joseph Steigerwald** ([CRD #1347207](#), Stamford, Connecticut)

November 18, 2024 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured, fined \$300,000, and ordered to pay disgorgement in the amount of \$837,353. Ivicic was fined \$30,000 and suspended from association with any FINRA member in all capacities for 15 months. Mead was assessed a deferred fine of \$15,000 and suspended from association with any FINRA member in any principal capacity for six months. Phelan was fined \$20,000 and suspended from association with any FINRA member in all capacities for four months. Steigerwald was fined \$30,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, the firm, Ivicic, Mead, Phelan, and Steigerwald consented to the sanctions and to the entry of findings that the firm submitted retail orders for new issue municipal bonds without a basis for designating the orders as retail and with zip codes that were not associated with a retail customer. The findings stated that the firm participated in a number of offerings for new issue municipal bonds as a co-manager or a member of the selling group. The firm did not have retail customers for its orders of new issue municipal bonds. Rather, it submitted such orders on behalf of other broker-dealers who had, in turn, placed orders with the firm. On at least 572 occasions, the firm, through its representatives, submitted orders to the syndicate senior manager that it received from broker-dealer counterparties that it designated as retail without a basis to do so, and, to make it appear that the orders were for bona fide retail customers, included zip codes with the orders that were not associated with a retail customer. In addition, on at least 44 occasions, the firm received orders from its broker-dealer counterparties that exceeded the \$1 million per order maximum set out in pricing wires and, when it submitted the orders to the syndicate senior manager, split those orders into multiple, smaller orders to evade the limit set out in the retail period eligibility criteria. The sales of the bonds in violation of the retail order period rules generated significant commissions for the firm. The findings also stated that Ivicic willfully violated Municipal Securities Rulemaking Board (MSRB)

Rules G-11(k) and G-17, both independently and by acting in contravention of Section 17(a)(2) of the Securities Act of 1933 by submitting orders that violated the retail order period eligibility criteria. Ivcic submitted 276 retail orders with zip codes that were not associated with a retail customer. Further, on at least 29 occasions, Ivcic split orders that exceeded the \$1 million maximum into smaller orders and included separate zip codes with each of the smaller orders to make the orders falsely appear to be from multiple, separate retail customers. The findings also included that Phelan and Steigerwald willfully violated MSRB Rules G-11(k) and G-17 by submitting order tickets with zip codes that were not associated with retail customers. On 46 occasions, Phelan included a zip code that was not associated with a retail customer on order tickets that he submitted to the firm. Similarly, on 127 occasions Steigerwald included a zip code that was not associated with a retail customer on order tickets that he submitted to the firm. FINRA found that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to ensure compliance with the retail period eligibility criteria. Though a significant portion of the firm's business was participating in underwritings of municipal securities, the firm had no supervisory system in place to determine that the retail orders that it submitted during retail order periods were for genuine retail customers or that the zip codes its representatives submitted with the orders were accurate and associated with a retail customer purchasing the bonds. Moreover, the firm maintained written supervisory procedures (WSPs) that unreasonably contained no guidance on complying with the retail order period eligibility criteria set by issuing municipalities. As a result of these supervisory failures, the firm failed to detect the violations of MSRB Rule G-11(k). Subsequently, the firm enhanced its supervisory systems, including its WSPs. FINRA also found that Mead, as head of the firm's municipal department failed to reasonably supervise the firm's sales of new issue municipal bonds during the retail order period. Mead failed to reasonably respond to red flags that gave him actual notice of potential misconduct with respect to purportedly retail orders including when a broker-dealer acting as syndicate senior manager for a new issue municipal offering challenged and rejected numerous orders that the firm had designated as retail because it did not believe that the orders were for bona fide retail customers. Additionally, another municipal issuer questioned the firm, including Mead, about orders that had been designated as retail that were subsequently traded on the secondary market. Despite these red flags, Mead failed to take steps to investigate the red flags or to otherwise ensure that the firm and its representatives complied with the retail order period eligibility criteria. Mead also failed to take reasonable actions to supervise this activity and Ivcic's role in it. Mead did not review order tickets to see if they contained zip codes or check with the firm's counterparties to confirm that the orders those firms were submitting were for bona fide retail customers. Rather, Mead merely reviewed deal folders in a cursory fashion to see if they appeared to conform to the requirements set by issuing municipalities.

Ivcic's suspension is in effect from December 2, 2024, through March 1, 2026.  
Mead's suspension is in effect from December 2, 2024, through June 1, 2025.  
Phelan's suspension is in effect from December 2, 2024, through April 1, 2025.  
Steigerwald's suspension is in effect from December 2, 2024, through June 1, 2025.  
([FINRA Case #2020066940501](#))

**Torch Securities, LLC ([CRD #133642](#), Sugar Land, Texas) and Thomas Bruce O'Driscoll ([CRD #2416678](#), Sugar Land, Texas)**

November 20, 2024 – An AWC was issued in which the firm was fined \$5,000. O'Driscoll was fined \$5,000 and suspended from association with any FINRA member in all capacities for two months. A lower fine was imposed against the firm after considering, among other things, its revenue and financial resources. Without admitting or denying the findings, the firm and O'Driscoll consented to the sanctions and to the entry of findings that the firm failed to complete annual independent anti-money laundering (AML) testing. The findings stated that the firm failed to conduct any independent testing of its AML program between 2005 and 2022. The firm conducted its first test in 2023. The findings also stated that O'Driscoll created and submitted backdated documents to FINRA during an examination of the firm. In response to a request from FINRA, O'Driscoll's produced two documents purporting to reflect his timely disclosure of outside business activities (OBAs). O'Driscoll was responsible for creating the misimpression that these OBAs had been disclosed previously by submitting these documents to FINRA without disclosing that he had created them after receiving FINRA's request.

The suspension is in effect from December 16, 2024, through February 15, 2025.  
([FINRA Case #2023077022901](#))

## Firm and Individual Sanctioned

**Smith, Brown & Groover, Inc. ([CRD #1329](#), Macon, Georgia) and Raymond Hill Smith Jr. ([CRD #731506](#), Macon, Georgia)**

November 6, 2024 – An AWC was issued in which the firm was censured and ordered to pay \$2,000,000 in partial restitution to customers. Smith was fined \$15,000, suspended from association with any FINRA member in all capacities for six months, and suspended from association with any FINRA member in any principal capacity for four months. The suspensions will run consecutively. FINRA imposed partial restitution of customer losses and no fine or pre-judgment interest on the firm after considering, among other things, its revenues and financial resources. Without admitting or denying the findings, the firm and Smith consented to the sanctions and to the entry of findings that they recommended a trading strategy to their customers, developed by Smith, without fully understanding the features and risks of the strategy or the exchange-traded note (ETN) that the strategy primarily invested in, and without having a reasonable basis to recommend the strategy to any customer. The findings stated that the ETN was high-risk, complex, and designed to

manage daily trading risk. Despite developing and implementing the trading strategy at the firm, Smith did not fully understand the ETN, including its basic features, such as how the issuer maintained its inverse exposure to the underlying volatility index or that the ETN was designed to achieve its stated investment objective on a daily basis. Furthermore, contrary to the guidance in the ETN's disclosure documents, the firm and Smith invested customers in the ETN for extended periods of time, an average of 72 days, including through periods of high volatility. In addition, prior to its implementation, the firm and Smith conducted flawed testing of the trading strategy that relied on incomplete data and that over-estimated potential returns. As a result, the firm and Smith had a mistaken understanding of the risk/reward profile of the strategy. Customer accounts participating in the trading strategy were fully invested in the ETN when a surge in market volatility caused the ETN to drop in price and the issuer, in turn, to call the ETN. As a result, holders of the ETN, including the firm's customers, suffered near total losses on their investments. The firm discontinued the strategy shortly thereafter. The findings also stated that the firm and Smith failed to reasonably supervise the suitability of the trading strategy by failing to establish and maintain a system, including WSPs, reasonably designed to achieve compliance with their suitability obligations. Smith was the firm's only principal and solely responsible for its supervision. Despite recommending to its customers a trading strategy that invested in a high-risk ETN, the firm had no policy or procedure for conducting a reasonable-basis analysis for such a product. The firm also had no procedures to evaluate whether customers' concentration in the strategy created a risk of loss inconsistent with the customers' investment profiles. Although the firm had an informal concentration limit of 10 percent, that limit was not documented in the firm's procedures and certain customers' concentration limits exceeded that threshold. In addition, the firm and Smith did not reasonably train registered representatives regarding the trading strategy or the ETN.

The suspension in all capacities is in effect from December 2, 2024, through June 1, 2025. The suspension in any principal capacity will be in effect from June 2, 2025, through October 1, 2025. ([FINRA Case #2019063352401](#))

## Firms Fined

### **Morgan Stanley & Co. LLC ([CRD #8209](#), New York, New York)**

November 1, 2024 – An AWC was issued in which the firm was censured and fined \$1,000,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial risks of its market access business activity, including controls designed to prevent the entry of erroneous orders. The findings stated that when onboarding new customers placing low touch orders, the firm's procedures did not describe the process for placing new clients into client groups or how the firm determined which group to place customers into. The firm's

procedures also did not describe the process for establishing reasonable thresholds for orders priced more than a specified percentage away from a specified reference price (the “price away” control) or orders exceeding a pre-established maximum dollar amount for a single order (the “single order notional value” control) for the different customer groups. Further, the firm did not document on a customer-by-customer basis its rationale for why those thresholds were reasonable for each customer. With respect to high touch customers, the firm assigned single order notional value thresholds to traders on the desk. The firm rated traders in a low, medium, or high category based on each trader’s experience, which in turn determined the thresholds applied to high touch orders. The firm’s procedures did not document the rationale for why the limits were reasonable. Further, the firm applied a standardized single order notional value threshold for high touch traders on one specific trading desk without a documented rationale, which permitted all traders on that desk to submit orders for up to the threshold without regard for the traders’ ratings or other characteristics. In addition, the firm did not provide any documented rationale or analysis justifying its standardized market impact limit control, which did not account for several hundred unique customers’ trading patterns or order history, including customers who manually entered orders. Furthermore, the firm had no documented rationales for price away controls that exceeded exchange guidelines for clearly erroneous transactions for low touch customers provided with direct market access through a third-party, high-speed software. In addition, the firm’s market access controls applied soft blocks, or “hold limits,” to transactions that breached its risk management thresholds. The firm’s procedures required that firm personnel review each paused order but did not require the personnel responsible for reviewing hold limit alerts to contemporaneously document the rationale for releasing the subject orders into the market after completion of the review process. The firm also had a system that permitted orders that had been manually reviewed and released and subsequently amended at a later time to be more conservative than the original order to be released without additional manual review. Such release without additional review was unreasonable to prevent the entry of erroneous orders. The findings also stated that the firm failed to conduct reasonable reviews of the effectiveness of its market access controls and supervisory procedures. The firm’s procedures only required a review when single order threshold limits exceeded the maximum guidelines set by the firm. However, those guidelines were set at high levels and thus would not adequately identify individual customers with potentially unreasonable limits. ([FINRA Case #2021069330101](#))

**Concorde Investment Services, LLC ([CRD #151604](#), Ann Arbor, Michigan)**  
November 4, 2024 – An AWC was issued in which the firm was censured, fined \$110,000, and ordered to pay \$20,382.39, plus interest, in partial restitution to customers. The amount of partial restitution, which is being paid to three



customers, is equal to the commissions that the firm received from the issuers for the investments at issue in this AWC. The remaining customers will not receive partial restitution because they previously settled claims related to their investments with the firm. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to reasonably supervise recommendations to purchase alternative investments related to an alternative asset management firm made to six retail customers for whom those recommendations were unsuitable. The findings stated that all of the customers had conservative or moderate risk tolerances. Such recommendations were unsuitable for those customers in light of the substantial risks of the asset management firm limited partnership interests. In addition, the firm-maintained suitability guidelines that permitted representatives to recommend that customers hold, at most, 30 percent of their exclusive net worth in alternative investments. The recommendations made by the firm's representatives resulted in five of these customers, all of whom were seniors, investing over 30 percent of their exclusive net worths in alternative investments, which was apparent on suitability paperwork that the representatives submitted to the firm contemporaneous with the customers' investments. Such concentrated positions were unsuitable. The firm failed to reasonably respond to these red flags that its representatives were making unsuitable recommendations. After receiving and reviewing the suitability paperwork submitted by its representatives, the firm performed no further inquiry to determine whether the recommendations were suitable in light of the customers' investment profiles. Ultimately, the firm stopped allowing its registered representatives to recommend the limited partnership interests and has since updated its WSPs and supervisory controls concerning alternative investments. Subsequently, the SEC filed a complaint against the management firm and others alleging, among other things, that the defendants engaged in securities fraud in violation of Section 10(b) of the Exchange Act of 1934 (Exchange Act) and Rule 10b-5 promulgated thereunder. (Case No. 1:21-cv-00583, E.D.N.Y.). The United States Department of Justice also brought criminal charges against the management firm's founder and chief executive officer (CEO) and two other executives, charging, among other things, securities fraud, mail fraud and wire fraud. (Case No. 1:21-cr-54, E.D.N.Y.). Later, one of the management firm's former executives pled guilty to wire fraud. Ultimately, a federal jury found the management firm's founder and CEO, along with the other former executive, guilty on all counts. ([FINRA Case #2018060897201](#))

**XP Investments US, LLC ([CRD #156691](#), New York, New York)**

November 5, 2024 – An AWC was issued in which the firm was censured, fined \$225,000, ordered to pay \$575,000 in partial restitution to customers, and required to certify that it has remediated the issues identified in the AWC and implemented a reasonably designed supervisory system, including WSPs. The firm previously resolved the claims of certain customers who invested in relevant offerings, and

therefore, these customers are not included in the restitution payment. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it recommended three private placements to its customers without conducting reasonable due diligence, and thus without satisfying its reasonable-basis suitability obligations. The findings stated that the firm did not establish and maintain a reasonable supervisory system with respect to its private placement recommendations. The firm acted as a placement agent for the offerings, which each involved a different real estate project that a company intended to develop as a co-working space and/or hotel. The firm did not obtain the financial information necessary to understand the capital structure of the projects, to evaluate the potential returns projected by the company, or to understand all of the risks associated with the investments. Further, the firm did not conduct reasonable due diligence on the company and its founder/CEO. The firm performed internet searches relating to the company and its founder but did not retain any record of these searches or perform any other reasonable due diligence steps relating to them. The firm recommended and sold \$3,619,550 in the offerings to customers and earned \$72,391 in commissions for these sales. Subsequently, certain lenders began to foreclose on the real estate properties underlying the offerings. Subsequently, the company and its affiliates filed for bankruptcy, resulting in losses for the firm customers who purchased securities in the offerings. The findings also stated that the firm did not reasonably supervise its trading activity for potential non-bona fide trading. The firm had no supervisory system or procedures that addressed non-bona fide trading, had no tools to identify potential non-bona fide trading, and its WSPs provided no guidance as to how to review trading activity for indicia of non-bona fide trading. In order to avoid breaching the firm's internal risk limits, the firm's fixed income trading desk would cause its affiliate fund, which was owned by the firm's parent company, to purchase bonds from the firm. The desk would then cause the firm to buy back the same bonds from its affiliate fund. Although the trades were included on the firm's fixed income blotter, the firm did not identify them as potentially non-bona fide, nor did it discuss them with anyone on the desk or escalate them for further review. The firm later stopped allowing the desk to execute trades on behalf of its affiliate fund. The findings also included that the firm provided retail customers with confirmations for corporate bond transactions executed on a riskless principal basis that inaccurately stated that it acted in an agent capacity. As a result of this error, the firm did not provide those customers with mark-up and mark-down information about their transactions. The firm also did not disclose its mark-ups and mark-downs in both dollar and percentage amounts for additional transactions in corporate debt securities that it executed on a principal basis. This non-disclosure arose from system errors in the firm's order entry system. FINRA found that the firm reported customer transactions in corporate debt securities to the Trade Reporting and Compliance Engine (TRACE) as agent when those transactions should have been reported as principal. FINRA also found that the firm



did not establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with confirmation disclosure requirements and TRACE reporting obligations. The firm did not have any policies or procedures in place regarding a supervisory review of the disclosures required on retail customer confirmations. In practice, the firm did not conduct any review of retail customer confirmations to confirm they accurately disclosed the firm's capacity and included the requisite mark-up and mark-down disclosures. In addition, the firm's policies and procedures did not address the accurate reporting of the firm's capacity in TRACE-eligible securities. In practice, the firm did not conduct any review to determine whether it reported trades to TRACE with the correct capacity.

[\(FINRA Case #2020066883201\)](#)

**Commerce Brokerage Services, Inc. ([CRD #17140](#), Clayton, Missouri)**

November 6, 2024 – 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 failed to comply with FINRA's Code of Arbitration Procedure for Industry Disputes in disputes with former associated persons and/or member firms that arose out of its securities business. The findings stated that the firm filed suit in Missouri state court against a former associated person alleging violations of a non-solicitation and confidentiality agreement. The firm sought temporary and permanent injunctive relief and damages but failed to file a statement of claim with FINRA Dispute Resolution. The action was resolved via a joint consent order shortly after the suit was filed. In another instance, a non-FINRA-member affiliate of the firm filed suit in a Kansas state court against two of the firm's former associated persons as well as their new member firm alleging violations including violation of non-solicitation and confidentiality agreements, misappropriation of trade secrets, and tortious interference. Subsequently, the firm also filed a statement of claim with FINRA Dispute Resolution making substantially similar allegations. The other member firm incurred approximately \$800,000 in attorney fees and costs related to the litigation. The court ruled that the dispute was subject to mandatory arbitration and stayed the action pending conclusion of the FINRA arbitration. A FINRA arbitration panel ordered the firm to pay the other member firm approximately \$800,000 in compensatory damages and the firms agreed to voluntarily dismissing the Kansas court case.

[\(FINRA Case #2023077782601\)](#)

**Tastytrade, Inc. ([CRD #277027](#), Chicago, Illinois)**

November 6, 2024 – An AWC was issued in which the firm was censured and fined \$30,000. 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, including WSPs, reasonably designed to supervise the outside securities accounts disclosed to the firm by its associated persons. The findings

stated that the firm's WSPs failed to specify how the firm would document its review of statements of outside securities accounts or track that those reviews had been completed. The firm also failed to review securities transactions in accounts disclosed by its associated persons in a reasonable manner. Subsequently, the firm updated its WSPs and made enhancements to its system for supervision of employees' outside security accounts. ([FINRA Case #2023077032101](#))

**Osaic Services, Inc. fka SagePoint Financial, Inc. ([CRD #133763](#), Scottsdale, Arizona)**

November 7, 2024 – An AWC was issued in which the firm was censured and fined \$250,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with suitability requirements as they pertain to excessive and unsuitable trading and options trading. The findings stated that the firm permitted registered representatives—who were not registered options principals, and who worked on the firm's Trade Desk, despite lacking sufficient knowledge, training, and experience with options transactions—to override automated supervisory alerts and options trading restrictions. Moreover, the firm permitted one of its registered representatives to open options positions in a 60-year-old customer's (Customer 1) account that required the use of margin, even though the customer did not have a margin account. The trades triggered alerts in the firm's automated transaction surveillance system, including alerts for creating uncovered options positions in the customer's cash account—which, in turn, created a potential risk of loss exceeding the amount of cash in the customer's account. Nonetheless, without assessing the underlying facts that triggered the alerts, the firm's Trade Desk overrode the alerts and allowed the trades to be executed. Some of those options transactions exposed the customer to a risk of loss exceeding \$4.5 million—over 22 times her liquid net worth of \$200,000. In addition, the firm failed to respond reasonably to red flags that the representative was excessively or unsuitably trading customer accounts, including those of Customer 1 and her mother (Customer 2), who was 91 years old, widowed, had a net worth of \$500,000, and was in ill health. In December 2018, March 2019 and July 2019, the firm flagged a pattern of significant losses resulting from options trades in several of the representative's customer accounts, and identified a pattern of high cost-to-equity ratios, high commissions, and high turnover rates in the representative's customer accounts. However, the firm continued to permit the representative to excessively and unsuitably trade his customers' accounts, without imposing any trading restrictions or heightened supervision on him. As a result, Customers 1 and 2 paid a combined amount of over \$60,000 in commissions and costs, and incurred over \$1.2 million in losses. Customer 1 lost the entirety of her account value. It was not until August 2019 that the firm effectively restricted the representative from effecting transactions in his customers' accounts, by terminating his employment with the firm. The firm entered

into a settlement with Customer 1 and Customer 2's estate relating to the conduct described in this AWC. The findings also stated that the firm failed to reasonably supervise for unauthorized trading in Customer 2's account after her death. The firm's Advisor Support team learned of Customer 2's death from one of her children, was aware that the representative had not yet frozen her account after learning of her death, and at least one member of the team learned that the representative had traded in the account after her death. Despite these red flags, the firm took no action to: (1) record Customer 2's death in its system; (2) freeze her account; (3) follow up with the representative to ensure that he recorded her death and froze her account; or (4) alert any supervisory principal, including the representative's supervisor, that he had failed to freeze her account and, instead, had continued to trade in the account after her death. As a result, the mother's account paid almost \$10,000 in commissions and costs after her death. ([FINRA Case #2021070904301](#))

**Spartan Capital Securities, LLC ([CRD #146251](#), New York, New York)**

November 7, 2024 – An AWC was issued in which the firm was censured, fined \$115,000 and required to retain an independent consultant to conduct a comprehensive review of the adequacy of the firm's compliance with FINRA Rule 8210. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to timely respond to three FINRA Rule 8210 requests. The findings stated that the firm did not fully comply with these requests until after FINRA issued four follow-up FINRA Rule 8210 requests and pursued three expedited proceedings to compel its compliance. The findings also stated that the firm failed to reasonably supervise its compliance with FINRA Rule 8210. Among other things, the firm did not have a reasonable system to track deadlines for Rule 8210 requests and the firm did not adequately staff its compliance department or train its existing staff to respond to Rule 8210 requests. The firm failed to take reasonable measures to improve its supervision system despite facing three expedited proceedings for failures to respond to Rule 8210 requests in less than two years. ([FINRA Case #2022075597102](#))

**BBVA Securities Inc. ([CRD #27060](#), New York, New York)**

November 8, 2024 – An AWC was issued in which the firm was censured and fined \$150,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and maintain a reasonably designed supervisory system, including WSPs, for the surveillance of rates of deferred variable annuity exchanges. The findings stated that when supervising variable annuity exchanges, the firm relied on transaction-by-transaction approvals from regional supervisors, along with periodic reports of each representative's exchange activity. The periodic reports only included information regarding a single month's exchange transactions and did not include the representative's rate of exchange. The firm had no report, alert, or other system

or review that surveilled for representatives' variable annuity exchange rates. In addition, the firm's WSPs did not provide for the assessment of representatives' rates of deferred variable annuity exchanges or provide guidance as to what exchange rate or other characteristics would indicate a pattern necessitating further review. ([FINRA Case #2021070695401](#))

**G.research, LLC ([CRD #7353](#), Rye, New York)**

November 11, 2024 – An AWC was issued in which the firm was censured, fined \$30,000, and required to certify that it has remediated the issues identified in the AWC and implemented reasonably designed written supervisory procedures regarding its compliance with customer relationship summary (Form CRS) requirements. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it willfully violated Section 17(a)(1) of the Exchange Act and Exchange Act Rule 17a-14 by providing an inaccurate response to the firm's Form CRS question concerning legal or disciplinary history. The findings stated that the firm and four of its control affiliates had prior reportable legal or disciplinary history. However, the firm did not respond "Yes" or direct retail investors to Investor.gov/CRS in response to the question concerning legal or disciplinary history on the Form CRS. The firm filed an amended Form CRS that responded "Yes" to the question concerning legal or disciplinary history and directed retail investors to Investor.gov/CRS almost 3 years after the initial filing. The findings also stated that the firm has failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with its Form CRS obligations. The firm's WSPs contained no provisions relating to Form CRS for over a year after the implementation date. Even after this update, the firm's WSPs fail to identify any individual or individuals responsible for compliance with Form CRS requirements, and the updated WSPs do not prescribe procedures for supervising how the firm should review its Form CRS to determine whether updates are required or whether its Form CRS includes all required information. ([FINRA Case #2022073262401](#))

**ACP Securities, LLC ([CRD #139049](#), Miami, Florida)**

November 15, 2024 – 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 willfully violated Section 17(a)(1) of the Exchange Act, Exchange Act Rule 17a-14, and FINRA Rule 2010 by not disclosing on the firm's Form CRS that one of its associated persons had disciplinary history, including for using a non-firm-approved communications platform to communicate with a customer regarding firm business. The findings stated that information concerning the associated person's disciplinary history was available to the firm through FINRA's Central Registration Depository (CRD) and in BrokerCheck. Nevertheless, the firm did not update its Form CRS to disclose this information until approximately two and a half years after the associated person joined the firm. ([FINRA Case #2023077080601](#))

**CUNA Brokerage Services, Inc. ([CRD #13941](#), Waverly, Iowa)**

November 18, 2024 – An AWC was issued in which the firm was censured and fined \$30,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to preserve approximately 14,000 records containing information the firm collected from retail customers when making recommendations to these customers regarding rollovers of their employer-sponsored retirement plans into individual retirement accounts. The findings stated that the firm inadvertently deleted the records that it created as it transitioned its business from providing services to retail customers. The records contained information collected from retail customers pursuant to Exchange Act Rule 15l-1(a) (1) of the Exchange Act (Reg BI). The records included information such as whether a potential transfer out of the retirement plan was a forced distribution from the plan, the importance to the customer of protection of retirement assets from creditors or legal judgments, and the importance to the customer of flexibility in distribution options. ([FINRA Case #2023080042101](#))

**MML Investors Services, LLC ([CRD #10409](#), Springfield, Massachusetts)**

November 19, 2024 – An AWC was issued in which the firm was censured and fined \$700,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that its supervisory system, including WSPs, was not reasonably designed to achieve compliance with the firm's obligation to supervise consolidated reports. The findings stated that the firm failed to reasonably supervise the process of its representatives creating consolidated reports including the manual entry of account information using a third-party reporting system. The firm had no system to alert supervisors that registered representatives had made manual entries or had failed to upload support or explanations for manually entered valuations. In addition, while the firm's procedures required supervisors to review draft reports before they were made available to customers, this review did not include any verification of manually entered assets, and the firm had no system to alert supervisors if registered representatives made brokerage account information available to customers online through the consolidated reporting system prior to supervisory review. The findings also included that the firm failed to detect red flags indicating that one of its registered representatives was entering fictitious brokerage accounts purportedly held at the firm into the consolidated reporting system. The firm failed to detect that the representative was using falsified data and fictitious accounts because it did not review manual account entries as required. Subsequently, the firm compensated the customers for damages related to the representative's actions and made improvements to its supervisory system to address these issues. ([FINRA Case #2021071346101](#))

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

November 20, 2024 – 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 misreported certain quantitative information or failed to disclose certain material aspects of the firm’s relationships with its execution venues in its Rule 606(a) quarterly reports under Regulation National Market System (NMS) of the Securities Exchange Act of 1934. The findings stated that for orders routed to alternative trading systems, the firm improperly classified customer market and limit orders as “other” orders when it routed those orders to the venue as a mid-point peg order. In addition, for venues with tiered pricing schedules, the firm included only links to the venues’ current price lists on their public websites rather than the required information on the tier and pricing applicable to the firm. Furthermore, for certain venues, the firm stated that it incurred fees and rebates based on exchange rules without providing additional required information necessary to determine the amount of fees or rebates incurred by the firm for the orders routed to that venue. The firm also listed the incorrect execution venue name on the report after that venue was acquired by another broker-dealer. Ultimately, the firm remediated these issues by no longer classifying customer market and limit orders as “other” orders and by updating its material aspects disclosures. The findings also stated that the firm erroneously excluded immediate-or-cancel (IOC) mid-point peg orders in its Rule 605 monthly reports under Regulation NMS. The firm operated an execution venue that received covered orders required to be reported under Rule 605. In September 2022, FINRA informed the firm that it was erroneously excluding immediate-or-cancel mid-point peg orders from its Rule 605 reports. Nevertheless, between September 2022 and April 2023, the firm excluded immediate-or-cancel mid-point peg orders from its monthly Rule 605 reports resulting in the firm’s failure to report approximately one billion transactions. Subsequently, the firm remediated this issue by including immediate-or-cancel mid-point peg orders in its Rule 605 reports. ([FINRA Case #2023077003601](#))

**Paulson Investment Company LLC ([CRD #5670](#), Portland, Oregon)**

November 22, 2024 – An AWC was issued in which the firm was censured and fined \$40,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with rules governing registered persons’ proposed OBAs. The findings stated that the firm knew that one of its registered representatives was engaged in OBAs that involved managing an investment fund that provided loans to early-stage companies. The representative facilitated four loans, which in total involved the investment of over \$3 million from 18 investors, and the representative was compensated for his work. For each transaction, the investors who provided the capital to fund the loans



received secured notes in the early-stage company, along with warrants to purchase the company's stock. None of the investors were firm customers at the time of the transactions and none lost money in connection with the loans. The firm failed to evaluate the activities as required by FINRA Rule 3270.01, including by failing to determine whether they constituted OBAs. In addition, the firm did not maintain records regarding its evaluation or approval of the representative's proposed OBAs. ([FINRA Case #2022074346001](#))

**Moomoo Financial Inc. ([CRD #283078](#), Jersey City, New Jersey)**

November 26, 2024 – An AWC was issued in which the firm was censured, fined \$750,000, and required to certify that it has remediated the issues identified in the AWC and implemented a reasonably designed supervisory system, including WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that its influencer communications were not fair and balanced and included misleading and promissory statements. The findings stated that the firm paid influencers to promote the firm on social media platforms, including videos and in online interactive electronic forums. The firm paid these influencers either for each new account opened with a unique link the firm provided or for each post the influencer created promoting the firm. The firm did not limit the compensation influencers could earn. Customers opened and funded more than 29,000 new accounts using the unique referral links that the firm provided to its influencers. The firm's influencers posted communications that claimed that the firm charged zero commission but did not disclose that other fees may apply or provide a prominent link to the firm's fee schedule. The influencers also posted communications that contained false and misleading claims suggesting that because the firm was a FINRA member, customers' investments were safe. In addition, the influencers failed to clearly identify the communications as paid advertisements. The findings also stated that the firm failed to review and approve all its influencers' posts about the firm and failed to preserve records of its influencers' posts. Furthermore, the firm did not maintain a copy of influencers' posts promoting the firm or records of the dates of use. Furthermore, when the firm did review influencers' communications, it did not maintain records of that review, including the names of the individuals who reviewed and approved the posts and the dates of approval. The findings also included that the firm failed to establish, maintain, and enforce a reasonably designed supervisory system, including WSPs, for its influencers' retail communications. The firm did not establish and maintain a supervisory system reasonably designed to preserve records related to the firm's influencers' communications, including copies of the communications, dates of use, or the name of any registered principal who approved the communication and the date of approval. Subsequently, the firm implemented a system to preserve records of its review and approval of influencers' communications promoting the firm. FINRA found that the firm failed to provide initial and annual privacy notices to firm

customers, as required by the SEC's Regulation S-P. The firm did not provide a copy of the firm's privacy policy to customers at account opening. In addition, the firm also did not provide annual privacy notices to customers. Ultimately, the firm updated its process and now delivers an annual privacy notice to its customers. ([FINRA Case #2021072581701](#))

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

November 27, 2024 – An AWC was issued in which the firm was censured, fined \$75,000, ordered to pay restitution, plus interest, to current and former customers who qualified for but did not receive the applicable sales charge waiver or Class AR shares in connection with recommended state-to-state 529 rollovers in the amount to be determined by a third-party outside consultant, and required to continue to retain the outside consultant to review the adequacy of the firm's compliance with MSRB Rule G-27 and Reg BI's Compliance Obligation, including but not limited to the firm's WSPs, controls and training related to sales charge waivers or Class AR shares in connection with 529 plan rollover recommendations, identify the eligible customers, and calculate the amount of restitution the customers are owed. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system reasonably designed to supervise representatives' recommendations to customers that they rollover 529 savings plan investments from one state plan to another. The findings stated that the firm did not have policies and procedures in place to alert representatives who recommended 529 plan state-to-state rollovers of the potential availability of Class A sales charge waivers or Class AR shares for 529 plan rollovers. The firm also did not offer training to representatives regarding sales charge waivers or the availability of Class AR shares and failed to provide supervisors with guidance or training on how to review recommended 529 plan rollover transactions to identify instances where there might have been an available Class A sales charge waivers or Class AR shares. Although the firm revised its WSPs to direct representatives to confirm with the applicable plan sponsor if a client is entitled to a sales charge waiver or Class AR share when completing a 529 plan state-to-state rollover, they fail to articulate the firm's policy regarding whether to provide customers with a sales charge waiver or Class AR share. In addition, the revised WSPs do not establish any system for monitoring and reviewing the application of available sales charge waivers or Class AR shares for eligible customers. Ultimately, the firm provided training that apprised representatives of the potential availability of sales charge waivers for 529 plan rollovers, however the training did not address the firm's policy or information regarding whether to provide customers with a sales charge waiver or Class AR share. As a result, the firm failed to consistently apply available sales charge waivers, impacting at least 18 customers in which total rollover dollars totaled at least \$837,000, resulting in at least \$17,000 in sales charges and fees that, had the waiver been granted, would not have been charged. ([FINRA Case #2021069460001](#))

## Individuals Barred

### **Sherwin Sargeant ([CRD #5096798](#), Oviedo, Florida)**

November 5, 2024 – An AWC was issued in which Sargeant was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Sargeant consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with its investigation into his involvement with undisclosed OBAs, including those potentially relating to crypto assets. ([FINRA Case #2023079285701](#))

### **Maryellen Smyth ([CRD #4527828](#), Valley Stream, New York)**

November 13, 2024 – An AWC was issued in which Smyth was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Smyth consented to the sanction and to the entry of findings that she refused to appear for on-the-record testimony requested by FINRA in connection with its investigation into whether she participated in misconduct by employees of her member firm involving insurance continuing education requirements. ([FINRA Case #2023079727501](#))

### **Akinfolarin Oladayo Sessi ([CRD #6800169](#), Florissant, Missouri)**

November 18, 2024 – An AWC was issued in which Sessi was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Sessi consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with its investigation into his involvement in a business activity outside the scope of his relationship with his member firm. ([FINRA Case #2023078415801](#))

### **Ahmad Mohamed Makloun ([CRD #6092943](#), Highland Park, New Jersey)**

November 19, 2024 – An AWC was issued in which Makloun was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Makloun consented to the sanction and to the entry of findings that he refused to produce information and documents requested by FINRA in connection with an investigation into his OBAs, including his potential involvement in an outside investment vehicle, while associated with his member firm. ([FINRA Case #2024083372201](#))

### **Troy Allen Orlando ([CRD #6055474](#), New York, New York)**

November 20, 2024 – An AWC was issued in which Orlando was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Orlando 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 examination of his member firm and a resulting investigation into the suitability of certain recommendations at it. ([FINRA Case #2023077024401](#))

**Christopher Bailey ([CRD #6907048](#), Cummings, Georgia)**

November 26, 2024 – An AWC was issued in which Bailey was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Bailey consented to the sanction and to the entry of findings that he failed to provide information and documents requested by FINRA in connection with its investigation of allegations made on a Form U5 filed by his member firm. The findings stated that Bailey was discharged from the firm in connection with an investigation regarding certain life insurance sales practices including a pattern of incorrect bank account information for premium payments and receipt of advance commissions. Although Bailey produced some documents and information in response to FINRA's request, he failed to produce other documents FINRA had requested, including bank statements. Bailey acknowledged that he received the requests but stated he will not produce the additional documents at any time. ([FINRA Case #2024081723301](#))

**Jared R. Bon ([CRD #7680680](#), Chicago, Illinois)**

November 26, 2024 – An AWC was issued in which Bon was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Bon consented to the sanction and to the entry of findings that he falsely misrepresented to his supervisor at his member firm that he had passed the Series 7 General Securities Representative Qualification exam and submitted falsified documents to the firm reflecting that he had passed the exam. The findings stated that Bon submitted to his supervisor a document that he had altered to falsely reflect that he passed the Series 7 exam. Subsequently, after Bon was informed that the firm was unable to verify the information contained in this document, Bon provided his supervisor with an additional document that Bon had altered to create a fictitious email, purportedly sent from the testing center, that falsely reflected that Bon had been scheduled to take the exam when he had not. ([FINRA Case #2024081526901](#))

**Rachel Katherine Chapman ([CRD #6058136](#), Jersey City, New Jersey)**

November 26, 2024 – An AWC was issued in which Chapman was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Chapman consented to the sanction and to the entry of findings that she refused to appear for on-the-record testimony in connection with its investigation of her member firm's determination that she misused a corporate card. ([FINRA Case #2023080469001](#))

**Ceondre LaQuan Colvin ([CRD #7329753](#), Hermitage, Pennsylvania)**

November 27, 2024 – An AWC was issued in which Colvin was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Colvin consented to the sanction and to the entry of findings that he

refused to provide documents and information and to appear for on-the-record testimony requested by FINRA in connection to its investigation of a customer complaint that had been filed against him. The findings stated that Colvin was discharged from his member firm after a review found, among other things, that he made unauthorized withdrawals from two customers' bank accounts to pay for his expenses. ([FINRA Case #2024082013401](#))

## Individuals Suspended

### **Arnold Frank Feldman ([CRD #4479606](#), Stony Brook, New York)**

November 1, 2024 – An AWC was issued in which Feldman was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Feldman consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension was in effect from December 2, 2024, through January 1, 2025. ([FINRA Case #2023079724001](#))

### **Lisa Marjorie Jones ([CRD #3044272](#), Glen Burnie, Maryland)**

November 4, 2024 – An AWC was issued in which Jones was fined \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Jones consented to the sanctions and to the entry of findings that she engaged in an OBA without providing prior written notice to her member firm. The findings stated that in August 2021, Jones disclosed to the firm that she created a Limited Liability Company (LLC) to operate an e-commerce storefront. To manage her storefront, Jones used services purchased from a company owned and operated by three other firm registered representatives. This company had one line of business that assisted customers with setting up and operating ecommerce storefronts. Between August 2021 and February 2023, without informing her firm, Jones told other representatives about her e-commerce storefront and the services provided by the company she had engaged. The company paid Jones at least \$16,000 in referral fees for successfully referring five representatives to the company. During the same period, Jones affirmed on annual compliance questionnaires that she had completely and accurately disclosed her OBAs to the firm. Although Jones had disclosed her LLC and personal e-commerce storefront, she had not disclosed the receipt of fees for referring others to the company.

The suspension is in effect from December 2, 2024, through February 1, 2025. ([FINRA Case #2024081647104](#))

**Jared Jayson Berrios ([CRD #6226088](#), Bay Shore, New York)**

November 5, 2024 – An AWC was issued in which Berrios was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Berrios consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension was in effect from December 2, 2024, through January 1, 2025.  
([FINRA Case #2023079728801](#))

**Walter Charles Bish ([CRD #3214712](#), Gray, Georgia)**

November 6, 2024 – An AWC was issued in which Bish was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Bish consented to the sanctions and to the entry of findings that he recommended a trading strategy to certain of his customers without fully understanding the features and risks of the strategy or the ETN that the strategy primarily invested in. The findings stated that Bish did not have a reasonable basis to recommend this strategy to any customer. Prior to recommending customers invest in the strategy, Bish did not conduct his own due diligence on the strategy or the ETN it primarily invested in. Bish did not fully understand how the trading strategy worked or the potential risks and rewards associated with it. For example, Bish was not aware that the ETN used in the trading strategy could be accelerated or terminated, or under what circumstances that could occur. The affected customers are being provided partial restitution pursuant to a separate settlement with Bish's member firm.

The suspension is in effect from December 2, 2024, through March 1, 2025.  
([FINRA Case #2019063352403](#))

**Tim Davidson Hemingway ([CRD #5013252](#), Macon, Georgia)**

November 6, 2024 – An AWC was issued in which Hemingway was fined \$7,500 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Hemingway consented to the sanctions and to the entry of findings that he recommended a trading strategy to certain of his customers without fully understanding the features and risks of the strategy or the ETN that the strategy primarily invested in. The findings stated that Hemingway did not have a reasonable basis to recommend this strategy to any customer. Prior to recommending customers invest in the strategy, Hemingway did not conduct his own due diligence on the strategy or the ETN it primarily invested in. Hemingway did not fully understand how the trading strategy worked or the



potential risks and rewards associated with it. For example, he did not understand the risk/reward profile of the ETN or the conditions under which the ETN could lose all its value. The affected customers are being provided partial restitution pursuant to a separate settlement with Hemingway's member firm.

The suspension is in effect from December 2, 2024, through April 1, 2025.  
([FINRA Case #2019063352402](#))

**James Clifford Stockton (CRD #1801686, Edmond, Oklahoma)**

November 6, 2024 – An AWC was issued in which Stockton was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Stockton consented to the sanctions and to the entry of findings that he did not provide advance written notice to his member firm of an investment of \$1,430,000 through private securities transactions. The findings stated that Stockton did not make these investments through his firm as they were not securities offered by the firm. The transactions did not involve firm customers. In addition, Stockton falsely responded to a question on a firm compliance questionnaire about whether he had participated in private securities transactions without prior written approval.

The suspension was in effect from December 2, 2024, through January 1, 2025.  
([FINRA Case #2022077410101](#))

**Jessica Y. Jung (CRD #4922155, Nashville, Tennessee)**

November 7, 2024 – An AWC was issued in which Jung was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Jung consented to the sanctions and to the entry of findings that she caused her member firm to maintain inaccurate books and records by mismarking order tickets in the firm's electronic order entry system for separate customer accounts relating to the purchase and/or sale of a speculative security. The findings stated that had the tickets been marked correctly, the transactions would not have been permitted by the firm. One of the affected customers later complained after losing approximately \$300 on one of the trades and was reimbursed by the firm. None of the other customers complained and Jung did not earn any commissions on any of the trades at issue.

The suspension was in effect from December 2, 2024, through January 1, 2025.  
([FINRA Case #2021071175101](#))

**Jordan Caleb Allen (CRD #6672861, Jersey City, New Jersey)**

November 8, 2024 – An AWC was issued in which Allen was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for eight months. Without admitting or denying the findings, Allen consented to

the sanctions and to the entry of findings that he participated in private securities transactions by placing trades in a customer's account held at another member firm, without providing notice to his member firm. The findings stated that Allen and the customer had a personal relationship, and the customer provided Allen with his log-in credentials to make transactions in the outside account. In total, Allen executed 1,507 trades in the account, including options transactions, totaling \$726,585 in gross value. Allen did not receive compensation for the transactions. When the trading came to his firm's attention, Allen initially misled the firm and stated that he had only been conducting paper trades in the account.

The suspension is in effect from November 18, 2024, through July 17, 2025.  
([FINRA Case #2023079459502](#))

**Jacob Houlton Fournier (CRD #7442521, Riverside, Rhode Island)**

November 8, 2024 – An AWC was issued in which Fournier was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Fournier consented to the sanctions and to the entry of findings that he borrowed a total of \$25,000 in three disbursements from a senior customer, who was also a friend of his. The findings stated that at all relevant times, Fournier's member firm prohibited its registered representatives from lending to or borrowing from firm customers. Fournier and the customer documented the loan with a promissory note and Fournier has been making partial repayments.

The suspension was in effect from November 18, 2024, through January 1, 2025.  
([FINRA Case #2023079530001](#))

**Renee Catherine Lund (CRD #7172151, Omaha, Nebraska)**

November 8, 2024 – An AWC was issued in which Lund 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, Lund consented to the sanctions and to the entry of findings that she caused her member firm to maintain inaccurate books and records by falsifying customer signatures on documents. The findings stated that Lund electronically signed the names of customers and reused the signatures of customers on documents with their permission. The documents included required records of the firm, such as account applications, account transfer forms, and electronic prospectus delivery forms. The transactions were authorized, and no customers complained. Lund also falsely attested in a compliance questionnaire that she had not duplicated signatures.

The suspension was in effect from December 2, 2024, through December 20, 2024.  
([FINRA Case #2022074198701](#))

**Rudy Ruben Mejia Jr. ([CRD #6041154](#), West Lake Hills, Texas)**

November 11, 2024 – An AWC was issued in which Mejia was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for eight months. Without admitting or denying the findings, Mejia consented to the sanctions and to the entry of findings that he participated in private securities transactions without prior written notice to his member firm. The findings stated that Mejia co-founded a pooled investment fund with an options trading strategy as well a management company to serve as the fund's general partner. Mejia purchased \$100,000 of the fund's limited partnership interests, which were securities. In addition, seven other investors purchased a total of \$738,000 of the fund's limited partnership interests. The investors were friends or family of Mejia or of the fund's other co-founder and none were customers of his firm. Mejia's firm did not provide approval for his investment or his participation in the private securities transactions. The findings also stated that Mejia opened outside brokerage accounts that he did not disclose to the firm. The investment fund and its general partner each opened a brokerage account at a firm other than Mejia's firm. Mejia controlled and had a beneficial interest in those two accounts. Mejia executed 304 transactions in the accounts while registered through his firm without its prior written consent and without notifying the executing firm of his association with his firm.

The suspension is in effect from November 18, 2024, through July 17, 2025.

([FINRA Case #2023079264201](#))

**Bryan James Moskowitz ([CRD #6063246](#), Staten Island, New York)**

November 11, 2024 – An AWC was issued in which Moskowitz was fined \$5,000, suspended from association with any FINRA member in all capacities for three months, and ordered to pay \$13,145, plus interest, in restitution to a customer. Without admitting or denying the findings, Moskowitz consented to the sanctions and to the entry of findings that he excessively and unsuitably traded a customer account. The findings stated that Moskowitz recommended high frequency in-and-out trading to the customer, a veterinarian in his mid-60s, even when the price of his recommended securities did not materially change. The customer relied on Moskowitz' advice and routinely followed his recommendations, and as a result, Moskowitz exercised de facto control over the account. Moskowitz' trading in the customer's account generated total trading costs of \$16,902, including \$13,145 in commissions, and caused \$81,614 in total realized losses.

The suspension is in effect from December 2, 2024, through March 1, 2025.

([FINRA Case #2018056490320](#))

**Leo Richard Vassallo ([CRD #1920639](#), Syracuse, New York)**

November 11, 2024 – An AWC was issued in which Vassallo 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, Vassallo consented to the sanctions and to the entry of findings that he caused his member firm to maintain inaccurate books and records by falsifying customer signatures on account documents. The findings stated that Vassallo electronically signed, with permission, the names of customers on account documents that included account applications and account transfer forms. These documents were required books and records of the firm. None of the customers complained and the transactions were authorized. In addition, Vassallo falsely attested to his firm in a compliance questionnaire that he had not signed or affixed another person's signature on a document.

The suspension is in effect from November 18, 2024, through January 17, 2025.  
([FINRA Case #2021072096901](#))

**James Craig Etter ([CRD #5576744](#), Austin, Texas)**

November 12, 2024 – An AWC was issued in which Etter was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Etter consented to the sanctions and to the entry of findings that he participated in private securities transactions that raised \$110,000 from investors without prior disclosure to his member firm. The findings stated that Etter solicited investments in an entity he founded and controlled, answered questions about the investments, and collected investment paperwork and investment funds. The investors were not customers of Etter's firm and later received their funds back. In addition, Etter inaccurately attested on a firm compliance questionnaire that he had not been engaged in private securities transactions in the prior 12 months. The findings also stated that Etter participated in an undisclosed OBA by providing business development and due diligence services to a solar equipment company. Etter received approximately \$66,000 in compensation for that work.

The suspension is in effect from November 18, 2024, through March 17, 2025.  
([FINRA Case #2023078596901](#))

**Ryan Emerson Bennett ([CRD #6274472](#), Camarillo, California)**

November 13, 2024 – An AWC was issued in which Bennett was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Bennett consented to the sanctions and to the entry of findings that he failed to provide written notice to his member firm that his engagement in an OBA exceeded the scope of his prior notice. The findings stated that upon joining the firm, Bennett disclosed that he had been engaging in an OBA with a company that provides online estate planning services, by referring individuals to the company in exchange for referral commissions. Bennett requested approval to continue the activity while associated with the firm. The firm stated that it would approve Bennett's continued

engagement in this OBA but would prohibit Bennett from accepting compensation for any referrals he made. In response, Bennett stated in writing to the firm that he would not engage in the OBA at all. Nevertheless, Bennett executed a partnership agreement with the company, on behalf of a marketing entity that Bennett had co-founded. Bennett referred eleven individuals, including nine firm customers, to the company for estate planning services. Through his marketing entity, Bennett received \$2,750 in commissions in connection with these referrals. The findings also stated that Bennett held a beneficial interest in six outside brokerage accounts without prior written consent from the firm. Bennett did not disclose these accounts to the firm or take any steps to provide duplicate transaction confirmation or periodic account statements to the firm.

The suspension is in effect from November 18, 2024, through February 17, 2025.  
([FINRA Case #2023077688001](#))

**John P. Franzino ([CRD #4734949](#), Massapequa, New York)**

November 15, 2024 – An AWC was issued in which Franzino was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Franzino consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 18 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension is in effect from December 16, 2024, through January 15, 2025.  
([FINRA Case #2024081399101v](#))

**Vandalia Pizarro ([CRD #5765233](#), Wesley Chapel, Florida)**

November 15, 2024 – An AWC was issued in which Pizarro 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, Pizarro consented to the sanctions and to the entry of findings that she willfully failed to timely amend her Form U4 to disclose that she had been charged with, and subsequently pled nolo contendere to, misdemeanor theft. The findings stated that Pizarro was charged by information with one count of misdemeanor petit theft. Although Pizarro was aware that she had been charged with a misdemeanor petit theft, she did not amend her Form U4 to disclose the charge within 30 days, as she was required to do. Ultimately, Pizarro did not amend her Form U4 to disclose either the misdemeanor petit theft charge or the nolo contendere plea until almost eight months after the initial charge.

The suspension is in effect from December 2, 2024, through February 1, 2025.  
([FINRA Case #2023080796301](#))

**Linda Jill Wimsatt ([CRD #1401802](#), Vista, California)**

November 15, 2024 – An AWC was issued in which Wimsatt was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in all capacities for four months, and ordered to pay \$20,974.75, plus interest, in deferred partial restitution to customers. Without admitting or denying the findings, Wimsatt consented to the sanctions and to the entry of findings that she recommended her retail customers, some of whom were seniors and retired, invest in speculative, unrated corporate bonds. The findings stated that the bonds were not suitable for the customers, based on their investment profiles, including their moderate risk tolerance, in light of the high degree of risk associated with the bonds. Wimsatt earned \$10,668.50 in commissions from the recommendations. The findings also stated that Wimsatt willfully violated Reg BI by making recommendations that were not in her customers' best interests based on their investment profiles. The senior customers had stated investment objectives of income and growth, and they did not include speculation. Wimsatt earned \$10,306.25 in commissions from the recommendations.

The suspension is in effect from November 18, 2024, through March 17, 2025. ([FINRA Case #2021070498104](#))

**Pedro Ostia-Vega ([CRD #6181372](#), Ontario, Canada)**

November 19, 2024 – An AWC was issued in which Ostia-Vega was fined \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Ostia-Vega consented to the sanctions and to the entry of findings that he reused 14 customers' signatures on more than 100 separate forms, including distribution requests, new account agreements, account transfer forms, and other required firm books and records. The findings stated that the transactions effected through these forms were all authorized by the customers. The findings also stated that by falsifying customer signatures, Ostia-Vega caused his member firm to maintain inaccurate books and records.

The suspension is in effect from December 16, 2024, through February 15, 2025. ([FINRA Case #2023078687101](#))

**Brenton Charles Schmidt ([CRD #3093473](#), Longville, Minnesota)**

November 19, 2024 – An AWC was issued in which Schmidt was fined \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Schmidt consented to the sanctions and to the entry of findings that he permitted his business partner to falsify the signatures of 9 customers on 53 account documents. The findings stated that in each of these instances, Schmidt signed his own name on each of the documents after his business partner signed for the customer. None of the customers complained and the transactions were authorized. The account documents, which included new account applications and money transfer forms, were required books and records



of his member firm. As a result of this conduct, Schmidt caused the firm to maintain inaccurate books and records.

The suspension is in effect from December 16, 2024, through February 15, 2025.  
([FINRA Case #2022075390901](#))

**Peter Joseph Glowacki (CRD #1156214, Brookfield, Wisconsin)**

November 21, 2024 – An AWC was issued in which Glowacki was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Glowacki consented to the sanctions and to the entry of findings that he exercised discretionary authority when placing 105 trades in accounts belonging to customers without first obtaining prior written authorization from the customers and without having the accounts accepted as discretionary by his member firms. The findings stated that although Glowacki discussed his trading with the customers generally, he did not speak with the customers about the specific trades on the dates of the transactions. The findings also stated that Glowacki used an unapproved channel for securities-related communications. Glowacki communicated about securities business via text message from his personal cell phone with firm customers, including confirming executed trades, discussing investment ideas and recommendations, accepting orders, and transferring funds. Glowacki caused the firm to maintain incomplete books and records by not providing those text messages to his firm for review or retention.

The suspension is in effect from December 2, 2024, through February 1, 2025.  
([FINRA Case #2023078269701](#))

**Richard Scott Linden (CRD #4735031, Melville, New York)**

November 26, 2024 – An AWC was issued in which Linden was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Linden consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension is in effect from December 16, 2024, through January 15, 2025.  
([FINRA Case #2024081403201](#))

**Christopher Paul Gallo (CRD #6045888, Brooklyn, New York)**

November 27, 2024 – An AWC was issued in which Gallo was suspended from association with any FINRA member in all capacities for five months. In light of Gallo's financial status, no monetary penalty has been imposed. Without admitting or denying the findings, Gallo consented to the sanction and to the entry of findings that he willfully violated Reg BI when he recommended to retail customers,

including a senior customer, a series of trades that were excessive and not in the customers' best interests. The findings stated that the trading generated \$97,981 in commissions and caused \$204,492 in realized losses to the customers.

The suspension is in effect from January 6, 2025, through June 5, 2025.  
([FINRA Case #2018056490321](#))

### Complaint 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.**

**John Dennis Lowry ([CRD #4336146](#), New York, New York) and Kim Marie Monchik ([CRD #2528972](#), Hazlet, New Jersey)**

November 8, 2024 – Lowry and Monchik were named respondents in a FINRA complaint alleging that Lowry failed to timely provide information and documents requested by FINRA pursuant to FINRA Rule 8210 until after FINRA issued two follow-up requests and initiated two expedited proceedings to compel compliance. The complaint alleges that Monchik failed to timely respond to five requests made pursuant to Rule 8210 until after FINRA issued six follow-up requests and initiated five expedited proceedings to compel compliance. FINRA initially began investigating Lowry and Monchik's member firm's sales of membership interests in unregistered private funds, an OBA of Lowry and Monchik. FINRA's requests sought information and documents about the private funds and later sought information and documents relating to the firm's net capital calculations. FINRA was required to exert a significant amount of regulatory pressure to obtain the information and documents that were important to its ongoing investigation into the firm's and its registered representatives' dealings with the private funds. The complaint also alleges that Lowry, as the firm's CEO, failed to maintain a reasonable system for the firm's compliance with Rule 8210, and failed to supervise Monchik's responses to Rule 8210 requests. After delegating his responsibility for supervising the firm's compliance with Rule 8210 and his responsibility for some of FINRA's requests to Monchik, Lowry did not review his delegations of authority to ensure that they were being properly exercised. Lowry failed to intervene and take corrective measures as necessary after learning of red flags suggesting that Monchik was not carrying out her delegated authorities. ([FINRA Case #2022075597101](#))

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

**EnrichHer Funding LLC (Funding Portal Org ID #292218)**  
 Atlanta, Georgia  
 (November 12, 2024)  
 FINRA Case #2023077514101

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**Firms Suspended for Failure to Provide Information or Keep Information Current Pursuant to FINRA Rule 9552**

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

**Airlink Markets, LLC (CRD #322261)**  
 Issaquah, Washington  
 (November 4, 2024)

**Realblocks Private Securities, Inc. (CRD #306101)**  
 New York, New York  
 (November 11, 2024)

**Wood (Arthur W.) Company, Inc. (CRD #3798)**  
 Boston, Massachusetts  
 (September 3, 2024 – November 11, 2024)

**Wood (Arthur W.) Company, Inc. (CRD #3798)**  
 Boston, Massachusetts  
 (September 6, 2024 – November 11, 2024)

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

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

**ChainRaise Portal, LLC (Funding Portal Org ID #316068)**  
 Phoenix, Arizona  
 (November 14, 2024)

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**Firm Suspended for Failure to Meet the Eligibility or Qualifications Standards or Prerequisites for Access to Services Pursuant to FINRA Rule 9555**

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

**Airlink Markets, LLC (CRD #322261)**  
 Issaquah, Washington  
 (November 7, 2024)  
 FINRA Case #20240826446

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

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

**Sebastian G. Bongiovanni (CRD #4398600)**  
 Staten Island, New York  
 (August 5, 2024 – November 1, 2024)  
 FINRA Case #2022077443301

**Luke Lasseter Brooks (CRD #7400412)**  
Gallatin, Tennessee  
(November 4, 2024)  
FINRA Case #2024081335201

**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.)

**Iam Aguilar (CRD #7038228)**  
Fort Worth, Texas  
(August 23, 2024 – November 4, 2024)  
FINRA Case #2023080122701

**Eunice Carreira (CRD #7184139)**  
Honolulu, Hawaii  
(November 18, 2024)  
FINRA Case #2024082081901

**Juan Sebastian Garcia Chavez (CRD #7176560)**  
White Plains, New York  
(November 18, 2024)  
FINRA Case #2024081246901

**Wyman Sai (CRD #7509743)**  
Phoenix, Arizona  
(November 8, 2024 – December 10, 2024)  
FINRA Case #2024081861001

**Joseph Alan Seidler (CRD #4281220)**  
Austin, Texas  
(August 26, 2024 – November 5, 2024)  
FINRA Case #2023078844301

**James Michael Turpin (CRD #5937001)**  
Burlington, New Jersey  
(November 4, 2024)  
FINRA Case #2024082424901

**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.)

**Michael Barrows (CRD #2933260)**  
Ladera Ranch, California  
(November 15, 2024 – November 18, 2024)  
FINRA Arbitration Case #22-01360

**Eric John Ludovico (CRD #2932082)**  
Irvine, California  
(November 15, 2024 – November 18, 2024)  
FINRA Arbitration Case #22-01360

**Edgar Olmeda (CRD #3004901)**  
Flushing, New York  
(February 3, 2009 – November 8, 2024)  
FINRA Arbitration Case #08-01062

**Michael Frank Paesano (CRD #1557229)**  
Rockville Centre, New York  
(September 3, 2024 – November 13, 2024)  
FINRA Arbitration Case #17-02682

**Stephen Walter Pendergast (CRD #1388526)**  
Berwyn, Pennsylvania  
(November 7, 2024 – December 16, 2024)  
FINRA Arbitration Case #18-04156/  
ARB240006

**Vincent Anthony Sharpe (CRD #5435813)**  
Highlands, New Jersey  
(November 4, 2024 – November 8, 2024)  
FINRA Arbitration Case #24-01263