

Disciplinary and Other FINRA Actions

Firm Fined, Individual Sanctioned

Nolan Securities Corp. ([CRD® #27984](#), Monterey, Massachusetts) and Bruce Paul Kelly ([CRD #1385457](#), Monterey, Massachusetts)

March 22, 2021 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was fined \$5,000 and Kelly was fined \$5,000 and suspended from association with any FINRA® member in all capacities for two months. Without admitting or denying the findings, the firm and Kelly consented to the sanctions and to the entry of findings that the firm failed to provide for annual independent testing of its anti-money laundering (AML) compliance program required because it was engaging in an investment banking business, including acting as a placement agent for private placements. The findings stated that Kelly engaged in activities at the firm that require registration as an Investment Banking Representative, despite not being registered with FINRA in that capacity.

The suspension is in effect from April 19, 2021, through June 18, 2021. ([FINRA Case #2020065188801](#))

Firm Sanctioned, Individuals Sanctioned

American Independent Securities Group, LLC ([CRD #135288](#), Eagle, Idaho), Ryan Shane Carlson ([CRD #4209072](#), Meridian, Idaho), and Nicholas William Cioffi ([CRD #1090646](#), Centerville, Idaho)

March 29, 2021 – An AWC was issued in which the firm was censured and is ordered to pay \$275,000 in partial restitution to customers. Carlson was fined \$10,000, suspended from association with any FINRA member in any principal capacity for 60 days, and required to complete 20 hours of continuing education concerning supervisory responsibilities. Cioffi was suspended from association with any FINRA member firm in any principal capacity for 45 days. FINRA imposed partial restitution and no fine on the firm after considering, among other things, its financial resources. In light of Cioffi's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, the firm, Carlson and Cioffi consented to the sanctions and to the entry of findings that the firm and Carlson failed to establish, maintain and enforce a supervisory system, including Written Supervisory Procedures (WSPs), reasonably designed to achieve compliance with applicable rules relating to sales of collateralized mortgage obligations (CMOs). The findings stated that the firm and Carlson did not establish any procedures related to CMO transactions or the suitability of CMO recommendations. There was no reasonable process to evaluate and determine whether inverse floaters were appropriate for a given customer or to assess the size of the CMO investment

Reported for May 2021

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

that would be suitable. There was also no guidance addressing to whom CMOs could be offered, the extent to which a customer's account could be concentrated in inverse floaters or any other CMO tranche, or the percentage of a customer's net worth that could be invested in CMOs. The findings also stated that the firm and Cioffi failed to reasonably supervise a registered representative. Although the firm did not have any WSPs addressing CMO transactions, Cioffi ignored multiple red flags that should have alerted him that the representative's inverse floater recommendations were potentially unsuitable. Cioffi should have followed up on these red flags because reasonable supervision entails investigation of red flags that suggest misconduct may be occurring and taking any appropriate steps following such an investigation. However, Cioffi failed to take reasonable action. Cioffi rarely questioned a transaction, never initiated a customer contact and never escalated any suitability concern to firm senior management. The findings also included that the firm and Carlson failed to take reasonable action to ensure Cioffi properly executed responsibilities delegated to him and failed to respond to red flags. Carlson delegated to Cioffi the responsibility for supervising the registered representative and therefore was responsible for taking reasonable action to ensure Cioffi properly executed that responsibility. Carlson should have been concerned about the representative's recommendations and Cioffi's supervision of them and should have acted on those concerns. Carlson was aware of red flags indicating that the representative's recommendations were unsuitable and knew that Cioffi supervised the representative's CMO activity even though he had no specialized training relating to CMOs and inverse floaters and had no prior experience supervising sales of the product. Carlson was also aware that the representative's transactions repeatedly were setting off alerts in the firm's trade review system. Nonetheless, Carlson did not follow up on these red flags and took no action to address the obvious suitability issues or ensure that the supervisory responsibilities he had delegated to Cioffi were reasonably exercised. FINRA also found that the firm and Carlson failed to reasonably supervise discretionary and senior accounts. The firm's procedures for discretionary and senior accounts, had they been enforced, would have highlighted the suitability red flags raised by the representative's recommendations. However, the procedures were ignored. The firm did not document its rationale for opening any discretionary account, order tickets failed to note whether discretion was exercised, firm principals did not speak with discretionary account clients, and nobody conducted the mandated reviews of discretionary and senior accounts.

Carlson's suspension is in effect from April 19, 2021, through June 17, 2021. Cioffi's suspension is in effect from April 5, 2021, through May 19, 2021. ([FINRA Case #2018060267902](#))

Firms Fined

TradeStation Securities, Inc. ([CRD #39473](#), Plantation, Florida)

March 2, 2021 – An AWC was issued in which the firm was censured and fined \$850,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it did not exercise reasonable diligence to ascertain whether the venues where it routed certain equity and option customer orders provided the best market for the subject securities as compared to the execution quality that was being provided at competing markets. The findings stated that at various times, the firm did not reasonably consider or perform underlying execution quality analysis of competing markets relative to the firm's current routing arrangements. In addition, at other times, the firm did not conduct reviews of the execution quality provided by existing routing venues for specific order types. As a result, the firm did not reasonably consider the quality of executions that the firm could have obtained from competing markets as compared to its current routing arrangements for marketable equity orders. The findings also stated that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with its best execution obligations. The firm's supervisory reviews for best execution disregarded several order types and factors and failed to reasonably account for comparisons of the quality of executions the firm obtained via current order routing and execution arrangements to the quality of the executions that the firm could have obtained from competing markets. In addition, the firm's WSPs provided no guidance as to how it should supervise to achieve compliance with the firm's best execution obligations beyond requiring a regular and rigorous review of data regarding price and executions. The firm amended its WSPs to include an obligation to conduct a comparative review of execution quality that included a review of competing markets and that the regular and rigorous review should include considerations of specific execution quality factors. However, the firm failed to provide any guidance as to how the supervisor should conduct a comparative review to determine whether any material differences in execution quality existed among competing markets. The WSPs also failed to detail who was responsible for modifying order routes and what execution quality factors should be considered when doing so. The findings also included that the firm failed to disclose material aspects of its relationship with the markets to which it routed most of its order flow. Although the firm disclosed that it maintained payment for order flow arrangements with venues to which it routed non-directed equity and option orders for execution, it failed to report all the material aspects of those relationships. ([FINRA Case #2014041812501](#))

ITG, Inc. NKA Virtu ITG LLC ([CRD #29299](#), New York, New York)

March 3, 2021 – An AWC was issued in which the firm was censured, fined \$450,000 and required to establish and implement policies, procedures and internal controls reasonably designed to address and remediate the issues 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 and implement AML policies and procedures reasonably designed to detect and cause the reporting of suspicious low-priced securities trading. The findings

stated that the firm's AML procedures did not identify reasonable steps to monitor for, detect and investigate suspicious activity involving the liquidation of low-priced securities or how to identify red flags of potentially suspicious activity in connection with low-priced securities trading, such as identifying and investigating promotional activity potentially related to suspicious transactions. In addition, the firm's procedures did not reasonably set forth how, when and to whom red flags or other suspicious activity should be reported if detected, and did not identify the personnel with decision making authority with respect to Suspicious Activity Report (SAR) filing or circumstances under which an SAR should be filed. The firm relied almost exclusively on a manual review of daily trade blotters to identify suspicious activity, which failed to detect patterns of activity over multi-day periods. The firm's manual review was unreasonable given the volume and complexity of the trading by the firm's customers. The findings also stated that the firm failed to detect and review red flags of suspicious activity due to its failure to implement reasonable AML procedures regarding low-priced securities. Trading in various low-priced securities presented red flags for potential market manipulation, including pump and dump schemes, bid support and matched trading. The firm did not detect numerous red flags of suspicious activity presented by one customer who liquidated millions of shares of low-priced securities by engaging in bid support through active and matched trading of low-priced securities as part of potential pump and dump schemes. The findings also included that the firm failed to establish and implement a system reasonably designed to comply with Bank Secrecy Act regulations requiring firms to have due diligence procedures for correspondent accounts of foreign financial institutions (FFIs). The firm's AML procedures stated that specific enhanced due diligence and scrutiny must be applied to correspondent accounts for certain FFIs but failed to reasonably describe the due diligence or scrutiny required. FINRA found that the firm failed to ensure reasonable or timely annual independent testing of its AML program. Although the firm engaged an outside law firm to perform its annual AML tests, the testing was not timely. In addition, the testing was not reasonable because it did not include critical areas such as the firm's trade surveillance tools, monitoring practices, or procedures for escalating concerns about red flags of suspicious activity. The annual tests also failed to address the firm's AML procedures related to the correspondent accounts of FFI customers. ([FINRA Case #2017054643601](#))

Aegis Capital Corp. ([CRD #15007](#), New York, New York)

March 10, 2021 – An AWC was issued in which the firm was censured, fined \$80,000, ordered to pay \$43,912.89, plus interest, in restitution to customers and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that in connection with corporate bond transactions, it failed to use reasonable diligence to ascertain the best market for a subject security and 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 stated that the firm failed to purchase municipal securities for its own account from a customer, or sell municipal securities for its own account to a customer, at an aggregate price (including any mark-up or mark-

down) that was fair and reasonable in connection with municipal bond transactions. The findings also stated that the firm failed to have written policies and procedures in place that address how to determine the best inter-dealer market for securities in the absence of pricing information or multiple quotations. The firm's procedures failed to describe specific order handling steps the firm would take to address how it will determine the best inter-dealer market in the absence of pricing or multiple quotation information. The findings also included that the firm failed to conduct, at a minimum, reasonably designed annual reviews of its policies and procedures for determining the best available market for the executions of its customers' transactions to assess whether its policies and procedures were reasonably designed to achieve best execution. If the firm had performed a reasonable review of its order handling policies and procedures, it would have discovered that it never established the required order handling steps to determine the best inter-dealer market for a security in the absence of pricing information or multiple quotations. FINRA found that the firm failed to establish and maintain a system, including WSPs, reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA and Municipal Securities Rulemaking Board (MSRB) rules. The WSPs failed to describe any supervisory steps required to be undertaken by the firm reasonably designed to achieve compliance with FINRA Rule 5310. In addition, the WSPs did not provide for any supervisory systems or processes to review the quality of the firm's fixed income executions or provide any other reasonably designed means by which to ensure compliance with MSRB best execution rules. ([FINRA Case #2017054188601](#))

Logan, Kevin Christopher dba The Logan Group Securities ([CRD #40259](#), Roseville, California)

March 17, 2021 – An AWC was issued in which the firm was censured and fined \$15,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish, maintain and enforce WSPs reasonably designed to achieve compliance with applicable securities laws and regulations and FINRA rules concerning investment recommendations of multi-share class variable annuities. The findings stated that though it prepared an update to its procedures, the firm failed to implement that update after it advised FINRA that it would. The firm also advised FINRA that it would document its review of variable annuity options with customers by printing a document that reflected the expense ratios of the different types of variable annuities, but it failed to follow these procedures. In addition, the firm failed to enforce its WSPs requiring customers to complete a variable annuity disclosure form prior to any variable annuity investment. The firm changed its supervisory system to use forms provided by annuity companies to describe features of the L-share contracts it recommended to customers in lieu of variable annuity disclosure forms. The firm did not amend its WSPs to reflect its new system and failed to enforce the written procedure to have its L-share contract customers fill out the variable annuity disclosure form. Further, the firm failed to collect the investment objective and risk tolerance information for some L-share contract customers. ([FINRA Case #2018056455201](#))

Dalmore Group LLC ([CRD #136352](#), Woodmere, New York)

March 22, 2021 – 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 and maintain a supervisory system, including WSPs, reasonably designed to ensure that it complied with its due diligence obligations. The findings stated that it failed to conduct and document reasonable investigations of private placement offerings before recommending and selling these securities to customers. The firm failed to review any business plans or models, prospects for the industry, any existing or potential regulatory restrictions on the business and the competitive position of the issuer. In addition, rather than conducting an independent investigation, the firm relied almost exclusively on documentation and information the issuers provided. As a result, the firm failed to uncover relevant information regarding the issuer. The findings also stated that the firm failed to submit required offering documents to FINRA within 15 days of the date of first sale for private placements. ([FINRA Case #2019060754601](#))

Citadel Securities LLC ([CRD #116797](#), Chicago, Illinois)

March 25, 2021 – An AWC was issued in which the firm was censured and fined \$275,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it reported treasury transactions to Trade Reporting and Compliance Engine® (TRACE®) that it was not required to report. The findings stated that the over-reporting occurred when the firm transferred treasury securities within its internal accounts because it unintentionally removed the logic to prevent these internal transfers from being automatically reported. The firm detected the issue prior to being contacted by FINRA and reinserted the logic. The findings also stated that the firm failed to append the no remuneration indicator to TRACE reports for treasury transactions with an affiliate that were at cost. The firm did not include the no remuneration indicator because it did not have the necessary logic to automatically code these transactions to include it. The firm discovered the issue prior to being contacted by FINRA and added the necessary logic to include the indicator. The findings also included that the firm reported to TRACE that the contra-party in a transaction was a customer when the transaction was with an affiliate. The inaccurate reporting occurred because the firm's logic automatically marked any contra-party that was not a broker-dealer as a customer. The firm discovered the issue prior to being contacted by FINRA and fixed it. FINRA found that the firm did not have a supervisory system, including WSPs, reasonably designed to achieve compliance with TRACE reporting rules because its supervisory reviews for compliance with TRACE reporting were limited to alerts generated for reporting errors that were incorrect on their face, such as late or mismatched reports of broker-dealer contra-parties. Thus, if there was an issue that could not be detected through an automatic alert, the firm's supervisory system would not detect it. The firm corrected this issue and added supervisory reviews to address the violations. ([FINRA Case #2019061038301](#))

Cambridge Investment Research, Inc. ([CRD #39543](#), Fairfield, Iowa)

March 29, 2021 – An AWC was issued in which the firm was censured, fined \$400,000, ordered to pay \$3,134,354.82, plus interest, in restitution to customers and required to establish and implement policies, procedures and internal controls reasonably designed to address and remediate the issues 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 reasonably supervise its registered representatives' recommendations of an alternative mutual fund. The findings stated that the firm permitted the sale of the fund on its platform without conducting reasonable due diligence and without a sufficient understanding of its risks and features, including the fact that the fund pursued a risky strategy that relied, in part, on purchasing uncovered options. The firm also lacked a reasonable supervisory system to review representatives' fund recommendations. The firm did not provide adequate guidance or training to representatives regarding the risks and features of alternative mutual funds and did not have reasonable WSPs advising firm principals how to supervise recommendations of alternative mutual funds. In addition, the firm failed to consider whether the rules of its electronic trade review system pertaining to traditional mutual funds were reasonable for use in reviewing alternative mutual funds that utilize a more complex strategy, such as the fund, or whether it may be necessary to tailor the tool's rules to address particular risks and characteristics of alternative mutual funds, including the fund. As a result, the firm's fund transactions were generally not identified for additional suitability review, even for customers with conservative and moderately conservative risk tolerances. Firm representatives sold more than \$18 million in the alternative mutual fund to customers. The fund's value dropped 80 percent during an extreme volatility event and the fund ultimately liquidated and closed, resulting in millions of dollars in losses for the firm's customers. The firm has already paid more than \$740,000 in restitution to customers, on top of the restitution ordered as a part of the AWC. ([FINRA Case #2018056443801](#))

J.W. Cole Financial, Inc. ([CRD #124583](#), Tampa, Florida)

March 29, 2021 – An AWC was issued in which the firm was censured, fined \$50,000, ordered to pay \$163,527, plus interest, in restitution to customers and required to establish and implement policies, procedures and internal controls reasonably designed to address and remediate the issues 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 reasonably supervise its registered representatives' recommendations of an alternative mutual fund. The findings stated that the firm permitted the sale of the fund on its platform without conducting reasonable due diligence and without a sufficient understanding of its risks and features, including the fact that the fund pursued a risky strategy that relied, in part, on purchasing uncovered options. The firm also lacked a reasonable supervisory system to review representatives' fund recommendations. The firm did not provide any guidance or training to representatives regarding the risks and features of alternative mutual funds and did not have WSPs advising firm principals how to supervise recommendations of

alternative mutual funds. In addition, the firm failed to consider whether the rules of its electronic trade review system pertaining to traditional mutual funds were reasonable for use in reviewing alternative mutual funds that utilize a more complex strategy, such as the fund, or whether it may have been necessary to tailor the tool's rules to address particular risks and characteristics of alternative mutual funds, including the fund. As a result, the firm's fund transactions were generally not identified for additional suitability review, even for customers with moderately conservative risk tolerances. The firm's representatives sold approximately \$1 million in the alternative mutual fund to customers. The fund's value dropped 80 percent during an extreme volatility event and the fund ultimately liquidated and closed, resulting in thousands of dollars in losses for the firm's customers. ([FINRA Case #2019061764801](#))

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

March 29, 2021 – An AWC was issued in which the firm was censured, fined \$100,000, ordered to pay \$235,979.77, plus interest, in restitution to customers and required to establish and implement policies, procedures and internal controls reasonably designed to address and remediate the issues 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 reasonably supervise its registered representatives' recommendations of an alternative mutual fund. The findings stated that the firm permitted the sale of the fund on its platform without conducting reasonable due diligence and without a sufficient understanding of its risks and features, including the fact that the fund pursued a risky strategy that relied, in part, on purchasing uncovered options. The firm also lacked a reasonable supervisory system to review representatives' fund recommendations. The firm did not provide reasonable guidance or training to representatives regarding the risks and features of alternative mutual funds and did not have WSPs advising firm principals how to supervise recommendations of alternative mutual funds. In addition, the firm failed to consider whether the rules of its electronic trade review system pertaining to traditional mutual funds were reasonable for use in reviewing alternative mutual funds that utilize a more complex strategy, such as the fund, or whether it may be necessary to tailor the tool's rules to address particular risks and characteristics of alternative mutual funds, including the fund. As a result, the firm's fund transactions were generally not identified for additional suitability review. Firm representatives sold more than \$616,000 in the alternative mutual fund to customers. The fund's value dropped 80 percent during an extreme volatility event and the fund ultimately liquidated and closed, resulting in hundreds of thousands of dollars in losses for the firm's customers. ([FINRA Case #2019061765001](#))

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

March 30, 2021 – An AWC was issued in which the firm was censured and fined a total of \$450,000, of which \$90,000 is payable to FINRA. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it did not reasonably supervise certain types of public and private side employee communications

under its policies and procedures. The findings stated that although the firm had electronic communication review procedures in place designed to detect the disclosure of potential material non-public information, those procedures were not reasonably designed. The firm also failed to reasonably enforce its procedures requiring functional and physical separation of public and private side personnel within a global wealth and investment management sub-group, to reasonably train re-designated private side personnel on how to identify and monitor communications containing potential material non-public information, and to maintain reasonable procedures regarding monitoring and escalation of communications of potential material non-public information. These failures to establish, maintain and enforce such procedures and systems excluded from supervisory review certain categories of communications between public and private side employees and created the risk that potential material non-public information could be impermissibly disclosed. These failures also inhibited the firm's ability to identify any such potential disclosure and to take reasonable steps to mitigate or remediate any potential harm from such disclosure. Later, the firm had enhanced its global wealth and investment management and global banking and markets/global commercial banking procedures to address the deficiencies. ([FINRA Case #2013038684001](#))

Individuals Barred

Rhett Douglas Bedwell ([CRD #5664392](#), Bentonville, Arkansas)

March 2, 2021 – An AWC was issued in which Bedwell was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Bedwell consented to the sanction and to the entry of findings that he refused to produce information and documents requested by FINRA during the course of its review of an amended Uniform Termination Notice for Securities Industry Registration form (Form U5) filed by his former member firm. The findings stated that the Form U5 disclosed that Bedwell had been identified in a pending customer arbitration alleging that he moved a client's individual retirement account (IRA) to a different administrator and used forged documentation to invest the claimant's money in a Ponzi scheme. Although Bedwell provided some of the information and documents requested by FINRA, he failed to respond to certain of the requests. ([FINRA Case #2020067764001](#))

Ryan Owen Tarjanyi ([CRD #6065805](#), Huber Heights, Ohio)

March 5, 2021 – An AWC was issued in which Tarjanyi was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Tarjanyi consented to the sanction and to the entry of findings that he provided inaccurate information regarding a customer's execution of an annuity partial withdrawal form during on-the-record testimony taken by FINRA after it opened an examination of his sales practices. The findings stated that at that time, Tarjanyi's member firm had reported that customers complained about him, alleging, among other things, forgery and falsification of information on an insurance application and annuity withdrawal forms. ([FINRA Case #2019061943301](#))

Nedjeen Baptiste ([CRD #6308317](#), West Palm Beach, Florida)

March 9, 2021 – An AWC was issued in which Baptiste was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Baptiste consented to the sanction and to the entry of findings that she refused to produce information or documents requested by FINRA in connection with its investigation into her potential participation in an unapproved outside business activity (OBA). ([FINRA Case #2020067705901](#))

Mayur T. Dalal ([CRD #1853077](#), Jericho, New York)

March 9, 2021 – An AWC was issued in which Dalal was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Dalal consented to the sanction and to the entry of findings that he refused to provide on-the-record testimony requested by FINRA related to a Form U5 filed by his former member firm that stated he had been discharged because he failed to follow the firm's policy related to the disclosure of OBAs and private securities transactions. ([FINRA Case #2020065664201](#))

George Marshall Warner ([CRD #2300570](#), Rowlett, Texas)

March 9, 2021 – An AWC was issued in which Warner was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Warner consented to the sanction and to the entry of findings that he failed to produce information or documents requested by FINRA in connection with an investigation into his potential participation in undisclosed private securities transactions. ([FINRA Case #2020067463101](#))

Anne McCutcheon Crivelli ([CRD #7038473](#), Irving, Texas)

March 12, 2021 – An AWC was issued in which Crivelli was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Crivelli consented to the sanction and to the entry of findings that she refused to produce information and documents requested by FINRA in connection with an investigation relating to the conversion of funds from a senior customer. ([FINRA Case #2020068267501](#))

Corey Andrew White ([CRD #4537015](#), Newbury Park, California)

March 19, 2021 – An AWC was issued in which White was barred from association with any FINRA member in any principal capacity and fined \$20,000. Without admitting or denying the findings, White consented to the sanctions and to the entry of findings that he failed to reasonably discharge his supervisory responsibilities regarding his member firm's systems and written supervisory procedures (WSPs). The findings stated that White failed to establish WSPs reasonably designed to enable firm supervisors to review for potentially excessive trading. The firm had no procedures addressing or establishing thresholds for annualized turnover rates and cost-to-equity ratios, specifying criteria regarding when to investigate active trading, or addressing when supervisors should contact customers to verify that the trading in their accounts was consistent with their investment objectives

and risk tolerance. Similarly, the firm failed to have a supervisory system and WSPs reasonably designed to achieve compliance with FINRA suitability standards concerning the sale of non-traditional exchange traded products (ETPs) to its retail customers. White, using a third-party vendor, updated the firm's WSPs regarding leveraged and inverse-leveraged exchange traded funds (ETFs), but not for all non-traditional ETPs. The updated WSPs required White to conduct and document an annual review of all recommended ETF transactions, but he failed to do so. The findings also stated that White failed to reasonably respond to red flags indicating excessive and unsuitable trading in customer accounts. White failed to reasonably monitor representatives' trading to detect potential sales practice abuses and did not review the monthly account supervision exception reports and failed to take reasonable steps to determine whether the firm's Office of Supervisory Jurisdiction (OSJ) supervisors were reviewing the exception reports or otherwise complying with their responsibilities to detect and prevent excessive and unsuitable trading. White also failed to update the firm's WSPs or to reasonably supervise the review of exception reports. In addition, White encountered additional red flags indicating trading misconduct by representatives involving customer accounts but failed reasonably to respond to these red flags. The customers sustained losses due to the representatives' excessive trading. White also failed to reasonably supervise transactions involving non-traditional ETPs. In one case, a customer held an ETP position for over 570 days and incurred losses of approximately \$32,000. Further, White was responsible for monitoring and approving options trades and reviewing the recommended options trades for suitability but failed to reasonably discharge these responsibilities. ([FINRA Case #2017054755209](#))

Travis Scott Hughes (CRD #7136761, Houston, Texas)

March 23, 2021 – An Office of Hearing Officers (OHO) decision became final in which Hughes was barred from association with any FINRA member in all capacities. The sanction was based on the findings that Hughes acted unethically by cheating during a Series 79 qualification examination. The findings stated that before the exam, Hughes prepared notes containing information relevant to it. Hughes rolled his cheat notes and hid them in each leg of his shorts hoping a test center administrator (TCA) would not search there. When he arrived at the test center, a TCA reminded him that he could not bring personal notes or study aids into the test room. Before starting the exam, Hughes again agreed that he would abide by FINRA's Rules of Conduct. However, Hughes repeatedly reviewed his notes during the exam. A TCA noticed and seized part of Hughes' notes and later reviewed video footage of him taking the exam and asked Hughes for the remainder of his notes. After receiving a report about his conduct during the exam, FINRA began to investigate Hughes for possible cheating. Subsequently during on-the-record testimony, Hughes admitted to using notes both during this exam attempt, and during a previous attempt. ([FINRA Case #2019064416201](#))

Chad T. Mackland ([CRD #4933804](#), Council Bluffs, Iowa)

March 23, 2021 – An AWC was issued in which Mackland was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Mackland consented to the sanction and to the entry of findings that he failed to provide documents and information requested by FINRA in connection with the criminal charges pending against him that included alleged theft and fraudulent sales practices. ([FINRA Case #2020065534801](#))

William James Novack ([CRD #1181334](#), Monticello, Indiana)

March 24, 2021 – An AWC was issued in which Novack was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Novack consented to the sanction and to the entry of findings that he declined to appear for on-the-record testimony requested by FINRA. The findings stated that this matter originated from a review of a Form U5 filed by Novack's member firm concerning the termination of another firm registered representative whom the firm had reason to believe was permitting and enabling a barred individual to conduct a securities business. ([FINRA Case #2019061887702](#))

Stephen Joseph Stancarone ([CRD #4373958](#), Thornwood, New York)

March 25, 2021 – An AWC was issued in which Stancarone was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Stancarone consented to the sanction and to the entry of findings that he refused to provide on-the-record testimony requested by FINRA in connection with a Form U5 filed by his member firm stating that he had been discharged because of concerns that he and his spouse continued to hold accounts at another broker-dealer after the firm denied his request to hold accounts at the other broker-dealer and for concerns that funds were being transferred between the accounts for the purpose of benefiting performance measures. ([FINRA Case #2020068202301](#))

Jeremy Taylor Johnson ([CRD #7074043](#), Murrieta, California)

March 26, 2021 – 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 refused to appear for on-the-record testimony requested by FINRA in connection with its investigation into suitability and potential misrepresentations and omissions related to his offer and sale of securities offerings while associated with a member firm. ([FINRA Case #2019062311701](#))

Individuals Suspended

Louise Jones (CRD #1254936, Atlantic Highlands, New Jersey)

March 2, 2021 – An AWC was issued in which Jones 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, Jones consented to the sanctions and to the entry of findings that she did not provide prior written notice to her member firms that she was the chief executive officer and a board member of a publicly traded company. The findings stated that while associated with the firms, Jones received \$41,000 in compensation from the company. Although Jones' activities on behalf of the company were outside the scope of her relationship with the firms, she did not disclose her involvement with the company in new employee paperwork, in an annual compliance questionnaire, or in any Uniform Application for Securities Industry Registration or Transfer form (Form U4) amendments.

The suspension was in effect from March 15, 2021, through May 14, 2021. ([FINRA Case #2020065548501](#))

Yegor S. Kashirsky (CRD #4791076, New Hope, Pennsylvania)

March 2, 2021 – An AWC was issued in which Kashirsky 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, Kashirsky consented to the sanctions and to the entry of findings that during a FINRA examination of his former firm, he altered a firm document and fabricated another firm document which he then submitted to FINRA. The findings stated that prior to submitting to FINRA a document regarding the firm's contingency plan for responding to system outages, Kashirsky removed certain sections of the document, including a section related to an alternate system through which firm personnel could enter customer orders during system outages. Kashirsky submitted the document without informing FINRA that the document had been altered. In addition, after failing to locate a requested internal firm communication related to a trading outage, Kashirsky fabricated a copy of the communication based on information gathered from a different trading outage. Kashirsky then submitted the document without informing FINRA that he had submitted a fabricated version of the communication.

The suspension is in effect from March 15, 2021, through June 14, 2021. ([FINRA Case #2019063625701](#))

Lang Phu Nguyen (CRD #6526189, Algonquin, Illinois)

March 2, 2021 – An AWC was issued in which Nguyen 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, Nguyen consented to the sanctions and to the entry of findings that he exercised discretion in customer accounts without prior written authorization from the customers or approval from his member firm. The

findings stated that the customers had verbally authorized Nguyen to exercise discretion in their accounts. The findings also stated that Nguyen failed to safeguard customer confidential information. With customer consent, Nguyen used his personal cell phone to photograph confidential customer information, such as driver's licenses, account statements and numbers, signed account documents, social security cards, addresses and telephone numbers. Nguyen then used his personal email address to transmit the images of confidential materials to his firm email account.

The suspension was in effect from March 15, 2021, through April 28, 2021. ([FINRA Case #2019061128401](#))

Richard Scott Shelley (CRD #2671545, Palm City, Florida)

March 3, 2021 – An AWC was issued in which Shelley was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Shelley consented to the sanctions and to the entry of findings that he participated in a private securities transaction without prior written disclosure to, and approval from, his member firm. The findings stated that Shelley sold an investor \$29,500 in a company that represented itself as a structured cash flow investment that purchased pensions at a discount from pensioners and then sold a portion of those pensions as a pension stream to investors. The company generally promised investors a seven to eight percent rate of return on their investments. Shelley received a total of \$1,475 in commissions in connection with this transaction. In addition, Shelley falsely attested on an annual compliance questionnaire that he did not participate in a private securities transaction. The company later ceased business, owing nearly \$300 million in unpaid investor payments. In an indictment, the United States charged the company and its owner with conspiracy to engage in mail and wire fraud related to the company's operations.

The suspension was in effect from March 15, 2021, through April 14, 2021. ([FINRA Case #2020065315901](#))

Larry Allen Bowman (CRD #2349910, Old Greenwich, Connecticut)

March 4, 2021 – An AWC was issued in which Bowman 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, Bowman consented to the sanctions and to the entry of findings that he engaged in OBAs for which he received compensation without providing his member firm with prior written notice. The findings stated that Bowman acted as a consultant and conducted financial modeling and analysis outside the scope of his relationship with the firm for different companies. Bowman was paid \$18,750 for his work. In addition, Bowman signed a compliance questionnaire indicating that he had not engaged in any OBAs.

The suspension was in effect from March 15, 2021, through April 28, 2021. ([FINRA Case #2020065037601](#))

Ernest Domenic Kappotis ([CRD #4871251](#), Peabody, Massachusetts)

March 4, 2021 – An AWC was issued in which Kappotis was fined \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Kappotis consented to the sanctions and to the entry of findings that he created a backdated document containing a list of his OBAs, which he knew would be submitted to FINRA. The findings stated that in connection with a routine examination of Kappotis' member firm, FINRA requested that the firm provide lists of the OBAs of the firm's registered persons, and, if available, documents showing the firm's approval of those OBAs. Although the firm had approved Kappotis' OBAs, the backdated document that Kappotis created purported to show that he had provided prior written notice to the firm of his OBAs in the form of a list when, in fact, that was not the case.

The suspension is in effect from April 5, 2021, through June 4, 2021. ([FINRA Case #2019064685902](#))

Jeffrey David Stanga ([CRD #6387255](#), Aliso Viejo, California)

March 11, 2021 – An AWC was issued in which Stanga was fined \$10,000, suspended from association with any FINRA member in all capacities for 12 months and ordered to pay to FINRA disgorgement of financial benefits received in the amount of \$28,359, plus interest. Without admitting or denying the findings, Stanga consented to the sanctions and to the entry of findings that he failed to fully disclose the nature of his OBAs. The findings stated that prior to his association with his member firm, Stanga sold a private placement offering of membership units in connection with a residential real estate flipping business. Stanga provided written notice to the firm on his Form U4, but failed to fully disclose his role as manager, and that the business was an investment-related business. The findings also stated that Stanga participated in private securities transactions without providing the required written notice to, or receiving written approval from, the firm. Prior to his association with the firm, Stanga sold promissory notes to investors in connection with a real estate brokerage firm. After registering with the firm, Stanga participated in private securities transactions totaling \$1,160,000 by facilitating the renewals of the real estate brokerage firm promissory notes he sold to investors prior to his association with the firm. Stanga facilitated the promissory note renewals for investors, one of whom was a firm customer, by acting as an intermediary between the investors and the real estate brokerage firm. Stanga received \$28,359 in referral fees in connection with these private securities transactions.

The suspension is in effect from April 5, 2021, through April 4, 2022. ([FINRA Case #2018057000401](#))

Michael Keith Napier ([CRD #4811092](#), Lawrence, Kansas)

March 12, 2021 – An AWC was issued in which Napier was fined \$5,000 and suspended from association with any FINRA member in all capacities for 10 business days. Without admitting or denying the findings, Napier consented to the sanctions and to the entry

of findings that he caused his member firm to violate the Securities and Exchange Commission's (SEC's) Regulation S-P: Privacy of Consumer Financial Information and Safeguarding Personal Information (Regulation S-P) by improperly taking non-public personal customer information from the firm without it or the customers' knowledge or consent. The findings stated that after accepting an offer to join another firm, Napier shared his customers' non-public personal information, including, among other items, dates of birth and social security numbers with a third-party vendor. That vendor used the information to populate forms to assist Napier with transitioning customers to the new firm.

The suspension was in effect from April 5, 2021, through April 16, 2021. ([FINRA Case #2019064323202](#))

Robert Benjamin Caiati Sr. (CRD #1444266, Morganville, New Jersey)

March 15, 2021 – An AWC was issued in which Caiati 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, Caiati consented to the sanctions and to the entry of findings that he made improper use of his member firm's funds by submitting expense reimbursement requests totaling \$3,646.86 for business meals and entertainment that he knew were not compliant with his firm's expense reimbursement policies. The findings stated that Caiati obtained approval for these expense reimbursements by providing inaccurate information to the firm, including by misidentifying the purpose of, and attendees present at, the events. In some of the requests, Caiati also omitted his manager's name as an attendee even though his manager attended the event so his manager could approve the reimbursement.

The suspension is in effect from March 15, 2021, through December 14, 2021. ([FINRA Case #2019063369801](#))

Robert Lee Riviere (CRD #500327, Austin, Texas)

March 15, 2021 – An AWC was issued in which Riviere 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, Riviere consented to the sanctions and to the entry of findings that he engaged in an OBA for which he received \$5,000 in compensation without providing his member firm with prior written notice. The findings stated that Riviere was the managing director of a corporation he formed. Riviere signed a letter of engagement between his corporation and a third party to provide investment services outside of the scope of his relationship with the firm. Riviere conducted financial modeling and analysis related to the acquisition of cargo ships for the third party.

The suspension was in effect from March 15, 2021, through April 13, 2021. ([FINRA Case #2019064871001](#))

Tonya Nicole Smoake ([CRD #4985049](#), Englewood, New Jersey)

March 16, 2021 – An AWC was issued in which Smoake was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 12 months. Without admitting or denying the findings, Smoake consented to the sanctions and to the entry of findings that she participated in private securities transactions involving approximately \$1.6 million in total sales, without providing her member firm with prior written notice. The findings stated that Smoake facilitated investments in a registered investment advisor (RIA) and its holding company, both of which raised capital through a securities offering pursuant to Regulation D of the Securities Act of 1933. Smoake was the chief operations officer of the RIA at the time of the offerings. To facilitate the investments, Smoake distributed offering documents to the investors, gathered signed documents from the investors, answered investor questions and coordinated investor payments. Smoake did not receive any commissions from the sale of the securities and none of the investors were firm customers. The findings also stated that Smoake inaccurately certified on the firm's annual compliance questionnaires that she was not involved in any private securities transactions that had not been previously disclosed to the firm.

The suspension is in effect from April 5, 2021, through April 4, 2022. ([FINRA Case #2019062886902](#))

Carlos Ricardo Sosa ([CRD #7153226](#), San Antonio, Texas)

March 17, 2021 – An AWC was issued in which Sosa was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Sosa consented to the sanctions and to the entry of findings that he possessed unauthorized study materials while he was taking the Series 7 General Securities Representative qualification examination. The findings stated that prior to beginning the exam, Sosa agreed to FINRA's Qualification Examinations Rules of Conduct that, among other things, prohibits the use or attempted use of personal notes and study materials during the exam and require candidates to store all personal items in the locker provided by the test vendor prior to entering the test room. However, upon Sosa's return from an unscheduled break, he was found in possession of unauthorized study materials.

The suspension is in effect from April 5, 2021, through October 4, 2022. ([FINRA Case #2019064706501](#))

Trevor Bradner Rahn ([CRD #2196155](#), West Hollywood, California)

March 19, 2021 – An AWC was issued in which Rahn was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Rahn consented to the sanctions and to the entry of findings that he failed to conduct the necessary reasonable diligence to understand the cost implications of an investment strategy he recommended and, as a

result, lacked a reasonable basis to recommend the strategy to his customers. The findings stated that Rahn recommended the strategy to the customers in which he executed orders in accounts by breaking them into multiple smaller trades that he entered at different times on the same day. When entering the smaller trades, Rahn often entered a separate commission on each trade that was greater than the amount that would be charged under his member firm's standard commission schedule. Rahn relied on the firm's system to automatically assign commissions in accordance with its commission schedule without taking steps to confirm it actually did so. In connection with his strategy, Rahn exercised time and price discretion on trades without the written authority from any of his customers or written acceptance from his firm. None of the tickets for the trades reflected an exercise of time and price discretion. Instead, Rahn entered all of these trades as held orders, meaning that each order was intended to be promptly placed. The findings also stated that Rahn executed trades in a customer's account without her authorization. The findings also included that Rahn caused his firm to create inaccurate records by mismarking solicited trades in customer accounts as unsolicited.

The suspension is in effect from April 5, 2021, through October 4, 2022. ([FINRA Case #2018059251701](#))

Edmund Roger Zack (CRD #2215116, West Hempstead, New York)

March 19, 2021 – An AWC was issued in which Zack was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in all capacities for eight months and ordered to pay deferred disgorgement of commissions received in the amount of \$5,161, plus interest. Without admitting or denying the findings, Zack consented to the sanctions and to the entry of findings that he made unsuitable stock recommendations and engaged in excessive and quantitatively unsuitable trading in the account of one of his customers at his member firm. The findings stated that Zack recommended the customer actively trade in speculative, low-priced securities and increase his trading capacity by using margin. Zack did not have a reasonable basis to believe these transactions were suitable for the customer, who had an investment objective of growth and a moderate risk tolerance, limited prior investment experience and no experience with margin. Zack's active generated an annualized cost-to-equity of 122 percent and an annualized turnover rate of 22 percent. The customer paid \$10,424 in commissions and trading costs, and incurred losses of \$11,357. The findings also stated that Zack exercised discretionary trading authority in customer accounts without obtaining prior written authorization from the customers and the firm or discussing and receiving approval from each customer before selling securities. The findings also included that Zack caused the firm to maintain inaccurate books and records by marking order tickets for solicited trades as unsolicited rather than solicited.

The suspension is in effect from April 5, 2021, through December 4, 2021. ([FINRA Case #2020068439201](#))

Allan Katz ([CRD #2166004](#), Staten Island, New York)

March 22, 2021 – An AWC was issued in which Katz was fined \$5,000 and suspended from association with any FINRA member in all capacities for 20 business days. Without admitting or denying the findings, Katz consented to the sanctions and to the entry of findings that he reused an elderly customer's signature pages on account transfer forms required for the customer to transfer directly held mutual funds into management investment accounts. The findings stated that to affect the transactions, the customer signed account transfer forms to transfer retirement and non-retirement mutual funds into both an IRA and individual management investment account, respectively. The mutual fund company then notified Katz that it required separate account transfer forms for each mutual fund. Katz reused the original account transfer form signature page for the IRA and individual management investment accounts and resubmitted them to the mutual fund company on new account transfer forms. In total, Katz reused the customer's original signature pages 11 times to expedite the processing of the transactions.

The suspension was in effect from April 19, 2021, through May 14, 2021. ([FINRA Case #2019063926101](#))

Mark Larry Delgadillo ([CRD #1436842](#), Goleta, California)

March 23, 2021 – An AWC was issued in which Delgadillo was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Delgadillo consented to the sanctions and to the entry of findings that he engaged in discretionary trading without written authorization from customers and without obtaining approval from his member firm. The findings stated that Delgadillo exercised discretionary power in customer accounts under circumstances that did not qualify for an exception described in the firm's WSPs.

The suspension was in effect from April 5, 2021, through May 4, 2021. ([FINRA Case #2020065936301](#))

John O'Bannon ([CRD #6737306](#), Des Moines, Iowa)

March 23, 2021 – An AWC was issued in which O'Bannon 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, O'Bannon consented to the sanctions and to the entry of findings that he attempted to settle a customer complaint without the knowledge or approval of his member firm. The findings stated that O'Bannon mistakenly advised the customer about how to complete some documents necessary to transfer shares of his employer-company stock to his account at O'Bannon's firm. As a result, the customer's shares were not transferred to his firm account but instead were liquidated. Later, the customer received a check for the proceeds from the liquidation and verbally complained to O'Bannon. The following month, O'Bannon sent the customer a personal check for \$2,678.50 to attempt to settle the customer's complaint and to partially compensate him

for missing out on the appreciation in the value of the stock following the liquidation of his shares. After receiving O'Bannon's check, the customer complained to the firm.

The suspension was in effect from April 19, 2021, through May 7, 2021. ([FINRA Case #2020068182001](#))

Daniel Weimer ([CRD #1859854](#), Mars, Pennsylvania)

March 23, 2021 – An AWC was issued in which Weimer 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, Weimer consented to the sanctions and to the entry of findings that in anticipation of his departure from his member firm, he removed and retained non-public personal information of customers from the firm, without the firm's or the customers' knowledge or consent. The findings stated that the non-public personal information included customer social security numbers, account numbers and dates of birth. Weimer retained the information in hard copy format, and did not store it electronically, including on a third-party server or personal email account. Weimer returned the information after the firm determined that Weimer had removed it. Weimer did not use the information or disclose it to others.

The suspension was in effect from April 19, 2021, through May 7, 2021. ([FINRA Case #2019064527101](#))

Grace Marie Casella ([CRD #7233781](#), Newark Delaware)

March 24, 2021 – An AWC was issued in which Casella was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Casella consented to the sanctions and to the entry of findings that while taking her Series 7 qualification examination, she took an unscheduled break during which time she reviewed prohibited study materials in the testing center's restroom. The findings stated that testing center personnel discovered Casella with her notebook but allowed her to submit her responses without changing any answers.

The suspension is in effect from April 5, 2021, through October 4, 2022. ([FINRA Case #2020068626201](#))

Riaz Husain Haidri ([CRD #2542194](#), Chatham, New Jersey)

March 24, 2021 – An AWC was issued in which Haidri was fined \$15,000, suspended from association with any FINRA member in all capacities for three weeks and required to attend and satisfactorily complete five hours of continuing education concerning handling of confidential information. Without admitting or denying the findings, Haidri consented to the sanctions and to the entry of findings that he disclosed confidential information regarding a customer's trading strategy and later confirmed its identity to a second customer. The findings stated that Haidri became aware that the original customer

was interested in establishing a strategic position in bonds of a certain company and subsequently effected multiple purchases of the bonds through Haidri's member firm. Later, Haidri disclosed the original customer's strategy, which was confidential information, to the second customer whom he knew had a large short position in the bonds. The second customer then purchased the bonds from the firm to partially cover its short position. The second customer asked Haidri to confirm the identity of original customer, which he did.

The suspension was in effect from April 19, 2021, through May 9, 2021. ([FINRA Case #2017054288401](#))

Corey Alexander Johnson (CRD #5752206, Centereach, New York)

March 24, 2021 – An AWC was issued in which Johnson was fined \$5,000 and suspended from association with any FINRA member in all capacities for 30 days. Without admitting or denying the findings, Johnson consented to the sanctions and to the entry of findings that he exercised discretionary trading authority to effect transactions in customer accounts without the customers having provided written authorization and without his member firm having accepted any of the accounts as discretionary accounts.

The suspension is in effect from April 19, 2021, through May 18, 2021. ([FINRA Case #2019061906301](#))

Christopher Joseph Nelson (CRD #6674139, Howard Beach, New York)

March 24, 2021 – An AWC was issued in which Nelson was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Nelson consented to the sanctions and to the entry of findings that he falsified his member firm's records and caused it to maintain inaccurate books and records by entering hundreds of orders for securities transactions using his name and representative code in customer accounts when, in fact, he was not the representative who was responsible for the accounts or who recommended the transactions. The findings stated that as Nelson knew, other registered representatives of the firm were responsible for those accounts, spoke with the customers and recommended the securities transactions in question. The representatives had not obtained the relevant state securities registrations in the states where the customers resided. Nelson entered the orders for the securities transactions recommended by the representatives under his name and representative code in order to conceal the fact that the representatives were conducting securities business on behalf of a customer residing in a state where they were not registered. Nelson and the representatives shared commissions earned from the transactions recommended in the accounts in question.

The suspension is in effect from April 5, 2021, through August 4, 2021. ([FINRA Case #2020065627301](#))

Victor A. Rigoni III ([CRD #4272056](#), Antioch, Illinois)

March 24, 2021 – An Offer of Settlement was issued in which Rigoni 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 allegations, Rigoni consented to the sanctions and to the entry of findings that he willfully failed to timely amend his Form U4 to disclose unsatisfied federal and state tax liens totaling \$164,521. The findings stated that on average, Rigoni disclosed his liens almost three and a half years late. In addition, Rigoni has never disclosed a state tax lien in the amount of \$11,304, even though he knew about it when it was filed and FINRA alerted him about it. The findings also stated that Rigoni falsely attested to his member firm on annual firm compliance questionnaires that he was in compliance with FINRA's Form U4 disclosure requirements.

The suspension is in effect from April 5, 2021, through July 4, 2021. ([FINRA Case #2018060840101](#))

Jeffrey Alan Fladell ([CRD #209278](#), Boca Raton, Florida)

March 25, 2021 – An AWC was issued in which Fladell 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, Fladell consented to the sanctions and to the entry of findings that he made unsuitable recommendations to a customer, a senior over 100 years old, which resulted in her extreme overconcentration in high-yield municipal bonds. The findings stated that the customer was the trustee for two conservative trust accounts at Fladell's member firm. One trust account was for the customer and the other was for the benefit of her sister-in-law, who was also a senior. Both accounts had the most conservative investment objective with a low risk tolerance. Despite the volatility of the municipal bond market at the time, Fladell repeatedly recommended that the customer invest in high-yield municipal bonds. Ultimately, 86 percent of the customer's holdings and 100 percent of her sister-in-law's holdings in the conservative trust accounts consisted of risky, high-yield municipal bonds.

The suspension is in effect from April 5, 2021, through July 4, 2021. ([FINRA Case #2017054432701](#))

Scott Richard Reynolds ([CRD #2705340](#), Miami Beach, Florida)

March 25, 2021 – An AWC was issued in which Reynolds was fined \$60,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Reynolds consented to the sanctions and to the entry of findings that he executed non-bona fide matched trades between his proprietary inventory account at his member firm and outside brokerage accounts that he controlled in a relative's name. The findings stated that Reynolds executed the trades so that it would appear to the firm's clearing firm that he was a net purchaser and the clearing firm would not purchase shares on the firm's behalf (a buy-in) pursuant to its regulatory obligation to

close-out fails-to-deliver within the timeframe required by Rule 204 of SEC Regulation SHO. Reynolds' conduct allowed him to profit if the security's price declined, or to avoid losses if the security's price increased. In addition, Reynolds executed matched trades between his firm account and his relative's accounts to compensate an account that lost money as a result of price changes in the matched trades he executed to avoid a buy-in. The findings also stated that Reynolds failed to disclose the outside brokerage accounts to his firm even though he traded in those accounts at his own discretion. In addition, Reynolds failed to disclose his association with the firm to the firms where his relative's accounts were held. The findings also included that Reynolds impersonated his relative in a telephone call with a brokerage firm where the relative held one of the outside accounts.

The suspension is in effect from April 19, 2021, through October 18, 2022. ([FINRA Case #2017054411901](#))

Chad Thomas Crawford (CRD #4257257, Pinckney, Michigan)

March 26, 2021 – An AWC was issued in which Crawford 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, Crawford consented to the sanctions and to the entry of findings that he engaged in an OBA without providing prior written notice to his member firms. The findings stated that after the coronavirus pandemic began, another registered representative told Crawford that he was using equipment from his disclosed OBA to produce hand sanitizer. Crawford decided to purchase hand sanitizer directly from the representative, which he could then resell to the public. Crawford paid \$50,000 to the representative to purchase empty bottles, fill them with hand sanitizer, and return the filled bottles to Crawford. Crawford conducted market research and identified potential buyers, and then took steps to prepare to sell the hand sanitizer to the public at a profit. The representative, however, never produced bottles of hand sanitizer to Crawford. As a result, Crawford never sold any hand sanitizer to the public. Crawford had a reasonable expectation of compensation through his hand sanitizer venture, which was outside the scope of his relationship with the firms. In addition, during an internal investigation regarding the representative, the firms' chief compliance officer specifically asked Crawford about his relationship with the representative and his OBAs. Crawford initially denied that he was involved in any OBAs with representative, although he ultimately admitted his involvement in the hand sanitizer venture.

The suspension is in effect from April 5, 2021, through June 4, 2021. ([FINRA Case #2020068470001](#))

Herbert Garrett Frey (CRD #214237, Cincinnati, Ohio)

March 29, 2021 – An AWC was issued in which Frey was assessed a deferred fine of \$15,000, suspended from association with any FINRA member in all capacities for 16 months and ordered to pay deferred disgorgement of commissions received in the amount of \$76,137, plus interest. Without admitting or denying the findings, Frey consented to the

sanctions and to the entry of findings that he excessively traded a customer's account. The findings stated that the 54-year old customer was a disabled homemaker who was gifted the securities account that was maintained by Frey. The customer's investment objectives were capital preservation and growth. Frey executed unauthorized trades in the customer's account and therefore exercised actual control over the account. Frey's trading caused the customer to pay \$135,210 in fees and commissions, and Frey retained \$76,137 of these commissions. The trading in the customer's account also resulted in the customer incurring a realized loss of \$142,805. The customer brought and settled a customer arbitration relating to this account. The findings also stated that Frey executed transactions in the customer's account without the customer's prior authorization, knowledge, or consent. Frey did not contact the customer regarding any of these transactions prior to placing the trades and he did not have discretionary trading authority in the customer's account. The findings also included that Frey caused his member firm to maintain inaccurate books and records. Frey also provided inaccurate and misleading consolidated account summaries to the customer that made it appear that the customer's account value was much higher than its true value. In addition, Frey directed the customer to sign blank new account forms that he then completed with inaccurate information regarding the customer's investment experience and risk tolerance.

The suspension is in effect from April 5, 2021, through August 4, 2022. ([FINRA Case #2019063960201](#))

Keith R. Holcomb ([CRD #6227200](#), Pawtucket, Rhode Island)

March 29, 2021 – An AWC was issued in which Holcomb 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, Holcomb consented to the sanctions and to the entry of findings that he borrowed at least \$31,420 from a customer without notifying or receiving approval from his member firm. The findings stated that Holcomb understood that the customer was not financially secure and suffered from serious health problems. To date, Holcomb has only repaid \$1,007.

The suspension is in effect from April 5, 2021, through October 4, 2021. ([FINRA Case #2019061870301](#))

Gordon Leonard Bryan ([CRD #1292315](#), Terre Haute, Indiana)

March 30, 2021 – An AWC was issued in which Bryan was fined \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Bryan consented to the sanctions and to the entry of findings that he engaged in an OBA without providing prior written notice to his member firm and subsequently exceeded the scope of his disclosed involvement in that OBA. The findings stated that Bryan formed a limited liability company with other individuals, three of whom were Bryan's firm clients, to purchase and develop a local shopping center. Bryan did not provide written notice to the firm of the company until a month later. Also, Bryan did not

disclose that firm clients co-owned the company until after its purchase of the shopping center. After the firm made inquiries about this disclosure, Bryan stated that he would not play a role in the company's operations. However, Bryan continued to engage in operational activities for the company, including marketing shopping center space to tenants, negotiating lease terms and communicating with commercial lenders. In addition, Bryan stated that he would transfer his ownership interest in the company to his wife. Although Bryan subsequently attested that the company remained one of his OBAs on a compliance questionnaire, he described it as a passive real estate business, rather than one in which he engaged in operational activity. In addition, Bryan stated inaccurately that his wife had become a partner in the company, even though he did not transfer his partnership interest to her until later.

The suspension is in effect from April 19, 2021, through June 18, 2021. ([FINRA Case #2018060741801](#))

Colin G Woolford ([CRD #6512956](#), New York, New York)

March 30, 2021 – An AWC was issued in which Woolford 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, Woolford consented to the sanctions and to the entry of findings that he misused his corporate card by submitting \$8,202.13 in personal expenses for reimbursement as business expenses. The findings stated that prior to detection, Woolford self-reported his misconduct to his member firm, voluntarily repaid the firm \$8,202.13 and fully cooperated with the firm's internal investigation.

The suspension is in effect from April 5, 2021, through July 4, 2021. ([FINRA Case #2019064465201](#))

Jiacheng Zhou ([CRD #7043791](#), New York, New York)

March 30, 2021 – An AWC was issued in which Zhou was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for one year. Without admitting or denying the findings, Zhou consented to the sanctions and to the entry of findings that she improperly used her member firm's funds by submitting at least \$8,643.60 of travel and meal expenses as business expenses in order to obtain reimbursement to which she was not entitled.

The suspension is in effect from April 5, 2021, through April 4, 2022. ([FINRA Case #2020067118901](#))

Ignacio Erhart Del Campo ([CRD #6084596](#), Montevideo, Uruguay)

March 31, 2021 – An AWC was issued in which Erhart Del Campo was assessed a deferred fine of \$7,500, suspended from association with any FINRA member in all capacities for two months, and ordered to pay \$19,189, plus interest, in deferred restitution to two individuals. Without admitting or denying the findings, Erhart Del Campo consented to

the sanctions and to the entry of findings that he exercised discretion in a customer's account without written authorization from the customer and without having obtained his member firm's approval. The findings stated that Erhart Del Campo traded in the customer's account solely based on annual or semi-annual discussions with the customer regarding trading strategy. The trades went beyond time and price discretion. In addition, in connection with a branch office exam conducted by FINRA, Erhart Del Campo completed a questionnaire in which he falsely replied that he didn't service any accounts on a discretionary basis. The findings also stated that Erhart Del Campo placed unauthorized transactions in the account of a customer. After the customer's death, Erhart Del Campo continued to trade in her account for over two years without authorization, unaware that the customer died. Erhart Del Campo believed that he was trading based on a trading strategy agreed to by the customer prior to her death. The unauthorized transactions after the customer's death resulted in net losses of \$19,189 in the account, including the commissions on the trades.

The suspension is in effect from April 5, 2021, through June 4, 2021. ([FINRA Case #2019064055402](#))

Jason Vincent McHenry ([CRD #6276756](#), Beaumont, California)

March 31, 2021 – An AWC was issued in which McHenry was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, McHenry consented to the sanctions and to the entry of findings that he willfully failed to timely amend his Form U4 to disclose that he had been charged with multiple felonies, and subsequently pled guilty to one felony. The findings stated that McHenry did not amend his Form U4 to disclose the felony charges until more than two years late. McHenry pleaded guilty to a felony charge, which rendered him statutorily disqualified from associating with a member firm. McHenry did not amend his Form U4 to disclose the guilty plea until almost two months late. In addition, while completing the firm's annual compliance questionnaires, McHenry falsely stated that he had not been charged with any felony.

The suspension is in effect from April 5, 2021, through October 4, 2021. ([FINRA Case #2020068649401](#))

Candice E. Montie ([CRD #4726799](#), Fenton, Michigan)

March 31, 2021 – An AWC was issued in which Montie was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Montie consented to the sanctions and to the entry of findings that she participated in private securities transactions without providing prior written notice to or obtaining prior approval from her member firm. The findings stated that Montie participated in sales of bonds issued by a company to individuals that invested a total of \$150,000. The individuals purchased the bonds through another firm with which Monti was not registered or associated. Montie participated in these sales through the

other firm by assisting the investors with completing the paperwork required to purchase the bonds, including a company subscription agreement and a new account application. Montie also participated in these sales by obtaining the customers' signatures on these and other documents, copies of their drivers' licenses and a check from each customer to fund the bond purchase. Montie also participated in the sales of the bonds by scanning and transmitting the required paperwork to the other firm and/or the company directly to complete the customers' purchases. Montie did not receive any commissions or other payments for her role in these transactions.

The suspension is in effect from April 19, 2021, through July 18, 2021. ([FINRA Case #2019064819501](#))

Decision Issued

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

Ricky Alan Mantei (CRD #1098981, Columbia, South Carolina)

March 12, 2021 – Mantei appealed an OHO decision to the NAC. Mantei was fined of \$10,000 and suspended from association with any FINRA member in all capacities for 30 business days for violating FINRA Rule 2010, and fined of \$5,000 and suspended from association with any FINRA member in all capacities for 30 business days for violating MSRB Rule G-17. The suspensions were ordered to run concurrently. The sanctions were based on findings that Mantei violated his member firm's prearranged trading prohibition and circumvented its cross-trade procedures by directing prearranged trading with intermediaries in order to facilitate and disguise cross trades. The findings stated that Mantei sold two customers' positions in structured certificates of deposit and another customer's position in a municipal bond without selling these instruments directly from one customer to another in compliance with the firm's cross-trade procedures, nor did he sell the instruments out to the market in bona fide transactions. Instead, Mantei allegedly engineered a plan to sell the customers' financial instruments to other firm customers without it appearing that he had engaged in cross-trades. Under the plan, Mantei arranged for external third parties to buy each selling customer's investment with the understanding that he would have the firm repurchase it a short time later. After Mantei caused the firm to repurchase the investments, he then allegedly sold them to other firm customers. Each set of transactions was, in substance, a cross-trade between firm customers. Mantei willfully breached his duty of fair dealing and engaged in a deceptive, dishonest and unfair practice relating to the municipal bond trades in violation of MSRB Rule G-17.

The sanctions are not in effect pending the review. ([FINRA Case #2015045257501](#))

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.

Kishan Parikh ([CRD #5506554](#), Jersey City, New Jersey)

March 17, 2021 – Parikh was named a respondent in a FINRA complaint alleging that he made unsuitable recommendations and excessively traded the accounts of his customers. The complaint alleges that Parikh controlled the trading in the customers' accounts and executed trades with a total principal value of approximately \$31.1 million. Parikh's excessive and unsuitable trading in the customers' accounts caused combined losses of more than \$33,000. At the same time, Parikh's trading generated gross sales credits and commissions of \$179,112, of which Parikh received at least \$89,000. The complaint also alleges that Parikh executed trades with a total principal value of approximately \$4.2 million in the accounts of customers without their prior authorization. ([FINRA Case #2021070337401](#))

Frank Vincent Sapareto ([CRD #2274877](#), Derry, New Hampshire)

March 31, 2021 – Sapareto was named a respondent in a FINRA complaint alleging that he engaged in an OBA without providing prior written notice to his member firm. The complaint alleges that Sapareto created a corporate entity for the purpose of producing and marketing a film. Sapareto paid over \$8,000 for camera equipment, actors' fees and to rent a cabin in which to film the movie. The firm learned about the OBA when Sapareto was sued in connection with his activities with the entity, and it promptly terminated Sapareto. The complaint also alleges that FINRA then commenced an investigation. Throughout that investigation, Sapareto repeatedly provided false or misleading information to FINRA to conceal his involvement in his OBA. Sapareto provided false or misleading information in response to a written request for information and false or misleading sworn testimony to FINRA during an on-the-record interview. Among other things, Sapareto falsely told FINRA that the entity was formed without his knowledge or consent, that he was not involved in producing a movie, that he had not exchanged emails with a third party about producing the movie, and that he had not spent money in furtherance of entity's activities. ([FINRA Case #2018060379701](#))

Decision Dismissed

(NAC issued the following decision, which was appealed to the SEC. The findings and sanctions made by the NAC were set aside, and the SEC has subsequently ordered that the decision be dismissed.)

David Bradley Tysk (CRD #1782289)
Eden Prairie, Minnesota
FINRA Case #2010022977801

Firms Cancelled for Failure to Pay FINRA Dues, Fees and Other Charges Pursuant to FINRA Rule 9553

First Canterbury Securities, Inc. (CRD #13121)
Dallas, Texas
(March 24, 2021)

FixCenter, LLC (CRD #153759)
Astoria, New York
(March 24, 2021)

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.)

Mercury Securities, LLC (CRD #40368)
Novato, California
(March 8, 2021)

Mercury Securities, LLC (CRD #40368)
Novato, California
(March 15, 2021)

Stratford Securities, LLC dba Stratford Partners (CRD #164954)
New York, New York
(March 8, 2021)

Stratford Securities, LLC dba Stratford Partners (CRD #164954)
New York, New York
(March 15, 2021)

Firms 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.)

First Commonwealth Securities Corporation (CRD #20854)
Atlanta, Georgia
(March 8, 2021 – March 9, 2021)

Lakeridge Capital Inc. (CRD #25005)
Ontario, Canada
(March 8, 2021 – April 21, 2021)

Mercury Securities, LLC (CRD #40368)
Novato, California
(February 10, 2021 – March 4, 2021)

Individual Revoked for Failure to Pay Fines and/or Costs Pursuant to FINRA Rule 8320

(If the revocation has been rescinded, the date follows the revocation date.)

Jose Vicente Alvarado (CRD #2197407)
Newburg, New York
(November 22, 2014 – March 17, 2021)
FINRA Case #2010020937902

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.)

Ryan John Callahan (CRD #5988625)
Olean, New York
(March 22, 2021)
FINRA Case #2020067110201

James Allen Childress (CRD #707435)
Phoenix, Arizona
(March 15, 2021)
FINRA Case #2019064938501

Nayely Gamez (CRD #7113903)
Perris, California
(March 25, 2021)
FINRA Case #2020068488901

Jorge Alberto Guzman (CRD #6323996)
Hempstead, New York
(March 5, 2021)
FINRA Case #2020065475201

Yonay Perez (CRD #6658641)
Cutler Bay, Florida
(March 22, 2021)
FINRA Case #2020068300701

Richard Arthur Norman Ramos (CRD #7071501)
Stanton, California
(March 1, 2021)
FINRA Case #2020066271201

Dwight George Sulc (CRD #1247212)
Oklahoma City, Oklahoma
(March 10, 2021)
FINRA Case #2019064584901

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.)

Samantha Christine Beasley (CRD #6757771)
Pflugerville, Texas
(March 29, 2021)
FINRA Case #2020068457001

Annie T. Boghossian (CRD #6663483)
Glendale, California
(March 26, 2021)
FINRA Case #2020068913601

Lawrence Peter Ehren (CRD #730972)
West Bend, Wisconsin
(March 29, 2021)
FINRA Case #2019062078501

Michael R. Goonan (CRD #6243029)
Commack, New York
(March 29, 2021)
FINRA Case #2021069134501

Eileen Mary Kenny (CRD #6722919)
West Chester, Pennsylvania
(March 1, 2021)
FINRA Case #2020067985101

Norma Jean Kuklis (CRD #6110346)
Pittsburg, Pennsylvania
(March 4, 2021)
FINRA Case #2020067677201

William Eric Kursim (CRD #4149322)
Amelia, Ohio
(March 1, 2021)
FINRA Case #2020068657501

John Robert Margain (CRD #6431875)
 Long Beach, California
 (March 22, 2021)
 FINRA Case #2020068769101

Hector Mejia (CRD #6977458)
 El Paso, Texas
 (January 19, 2021 – March 9, 2021)
 FINRA Case #2020066002601

Curtis Howard Smiley (CRD #4443310)
 Tampa, Florida
 (December 7, 2020 – March 3, 2021)
 FINRA Case #2019064554301

Michael Phillip Swenson (CRD #1939942)
 Golden Valley, Minnesota
 (January 4, 2021 – March 17, 2021)
 FINRA Case #2020067017001

Joseph Scott Switzer Sr. (CRD #6554362)
 Foster, Kentucky
 (March 22, 2021)
 FINRA Case #2020067568701

Joseph Mark Valenti (CRD #6113405)
 Kearny, New Jersey
 (March 29, 2021)
 FINRA Case #2020066106402

Individual 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.)

Scott Alan Kaufman (CRD #2047445)
 Mohnton, Pennsylvania
 (March 19, 2021)
 FINRA Arbitration Case #20-02080

Thomas John Marino (CRD #4438533)
 Bradenton, Florida
 (October 27, 2020 – March 5, 2021)
 FINRA Arbitration Case #19-00968

Thomas Patrick Rohan (CRD #4300217)
 North East, Pennsylvania
 (March 30, 2021)
 FINRA Arbitration Case #20-02442

John Greg Schmidt (CRD #708094)
 Bellbrook, Ohio
 (March 19, 2021)
 FINRA Arbitration Case #19-02197

Christopher Thomas Wright (CRD #2865586)
 Fleetwood, Pennsylvania
 (March 30, 2021)
 FINRA Arbitration Case #20-02280