

Disciplinary and Other FINRA Actions

Firms Fined, Individuals Sanctioned

Laradorbecker Securities Corporation ([CRD® #104440](#), The Woodlands, Texas) and Cindy Leah Hanerhoff ([CRD #1084549](#), The Woodlands, Texas) submitted an Acceptance, Waiver and Consent (AWC) in which the firm was censured and fined \$10,000. Hanerhoff was fined \$10,000 and suspended from association with any FINRA® member in any principal capacity for one month. Without admitting or denying the findings, the firm and Hanerhoff consented to the sanctions and to the entry of findings that the firm, acting through Hanerhoff, its president and chief compliance officer (CCO), permitted an individual, who had been suspended in her capacity as a Financial and Operations Principal (FINOP) and ordered to requalify by examination, to act as its FINOP throughout the individual's suspension and without her ever requalifying by examination.

The suspension was in effect from December 15, 2014, through January 14, 2015. ([FINRA Case #2013036030001](#))

Firms Fined

Arque Capital, Ltd. ([CRD #121192](#), Scottsdale, Arizona) submitted an AWC in which the firm was censured and fined \$50,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it sold a total of approximately \$3.53 million in an alternative investment known as Renewable Secured Debentures, offered by a company, to approximately 40 investors while providing investors with the company's sales kit, which included a brochure with misleading statements. The findings stated that as the managing broker-dealer for the debentures, the firm was responsible for, among other things, conducting due diligence on the company and the debentures, and reviewing all advertising pieces related to the debentures. The firm distributed sales literature that contained misleading statements, omitted material facts and failed to provide a sound basis for evaluating the securities that were being offered. ([FINRA Case #2012033994701](#))

Reported for January 2015

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).

Bloomberg Tradebook LLC ([CRD #40881](#), New York, New York) submitted an AWC in which the firm was censured, fined \$140,000 and required to revise its written supervisory procedures (WSPs). Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it executed short sale and short sale exempt transactions, and failed to report each of these transactions to the FINRA/NASDAQ Trade Reporting Facility (FNTRF) with a short sale or short sale exempt modifier, as appropriate. The findings stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations and FINRA rules. The firm's WSPs failed to provide the minimum requirements for the accurate reporting of short sales and short exempt sales to the FNTRF. ([FINRA Case #2012033435501](#))

BMA Securities aka Burt Martin Arnold Securities, Inc. ([CRD #108219](#), El Segundo, California) submitted an AWC in which the firm was censured, fined \$325,000 and ordered to retain, within 30 days of the date of the Notice of Acceptance of the AWC, an independent consultant, not unacceptable to FINRA, to conduct a comprehensive review of the adequacy of the firm's policies, systems and procedures (written and otherwise) and training related to anti-money laundering (AML) compliance and monitoring, including specifically but not limited to delivery versus payment/receive versus payment (DVP/RVP) accounts, deposit and sale of low-priced securities and due diligence for correspondent accounts for foreign financial institutions. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that on behalf of certain clients, it sold certain shares of an issuer whose securities were not registered and were not subject to an applicable exemption from registration, in contravention of Section 5 of the Securities Act of 1933. The findings stated that despite the presence of "red flags," the firm approved the sale, concluding the customers were not acting in concert. That conclusion was not reviewed or revisited, even after six of the customers sold approximately four million shares six days later, all in one day. Notwithstanding the obvious coordination of efforts and possible control relationship, the firm continued to accept for deposit and then sell out the issuer's shares for the group's accounts. No additional investigation was conducted. The firm failed to undertake sufficient efforts to ascertain whether the stock could be properly sold, and accordingly did not satisfy its duty to conduct a reasonable inquiry, which is a crucial part of the brokers' exemption.

The findings also stated that the firm failed to establish, maintain, and implement a reasonable supervisory system and WSPs designed to achieve compliance with Section 5 of the Securities Act, given the nature of the firm's business, and to detect and prevent manipulative or fraudulent trading activity. The firm also failed to establish and implement an adequate AML program. The firm's policies, procedures and internal controls were not reasonably designed to monitor, detect and cause the reporting of suspicious transactions, and the firm failed to investigate various red flags that suggested suspicious activity that may have required the filing of a suspicious activity report. The firm's written AML procedures failed to address the suspicious activity monitoring of DVP accounts and the

implementation of its procedures was inadequate to capture potentially suspicious activity conducted through DVP accounts. The firm failed to establish an adequate Customer Identification Program (CIP) and failed in certain circumstances to gather appropriate documentation about the customers. The firm's lax checking of documentation led to customers being permitted to participate in suspicious activity without appropriate documents in the file. The firm also failed to establish and implement a system that was reasonably designed to achieve compliance with the requirement that the firm conduct due diligence and enhanced due diligence, where applicable, on correspondent accounts for foreign financial institutions. The findings also included that the firm failed to provide customers with disclosures of the profits to the firm and a former trader of the firm, in situations where the trader bought exchange-traded securities positions from customers into his trading account and then sold them out to the market at a profit. ([FINRA Case #2010023220502](#))

BNP Paribas Prime Brokerage, Inc. ([CRD #24962](#), New York, New York) submitted an AWC in which the firm was censured and fined \$105,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report its short interest positions, and submitted an inaccurate short interest position report to FINRA. The findings stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and FINRA rules, concerning short interest reporting. ([FINRA Case #2012031869801](#))

BNY Mellon Capital Markets, LLC ([CRD #17454](#), New York, New York) submitted an AWC in which the firm was censured, fined \$12,500 and ordered to pay \$41.05, plus interest, in restitution to customers. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to execute market orders fully and promptly. The findings stated that some of these orders, the firm failed to use reasonable diligence to ascertain the best market for the subject securities so that the resultant price to the customer was as favorable as possible under prevailing market conditions. ([FINRA Case #2013036779301](#))

Cantor Fitzgerald & Co. ([CRD #134](#), New York, New York) submitted an AWC in which the firm was censured, fined \$65,000 and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to publish immediately a bid or offer that reflected the price and the full size of customer limit orders for over-the-counter (OTC) equity securities, held by the firm, that were at a price that would have improved the bid or offer of the firm in such securities. The findings stated that the firm failed to report the correct execution time for S1 corporate bond transactions and transactions involving securitized products to the Trade Reporting and Compliance Engine® (TRACE®), failed to report to TRACE S1 corporate bond and agency bond transactions within 15 minutes of the execution time, failed to show the correct execution time on the memoranda of brokerage orders, and failed to report transactions

involving securitized products within the time permitted to TRACE. The findings also stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and FINRA rules, concerning TRACE reporting. Specifically, the firm's supervisory system did not include, as one of the supervisory steps set forth in the firm's WSPs, a review reasonably designed to ensure the accuracy of execution times reported to TRACE. ([FINRA Case #2012034096601](#))

Credit Suisse Securities (USA) LLC ([CRD #816](#), New York, New York) submitted an AWC in which the firm was fined \$5,000. Without admitting or denying the findings, the firm consented to the sanction and to the entry of findings that it failed to report to the NASD/NASDAQ Trade Reporting Facility® (for trades effected on or prior to July 29, 2007) and the FINTRF (for trades effected on or after July 30, 2007) the contra executing party and the correct symbol indicating the capacity of the contra party in non-media-reported transactions. ([FINRA Case #2010025084001](#))

Credit Suisse Securities (USA) LLC ([CRD #816](#), New York, New York) submitted an AWC 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, within 30 seconds after execution, to transmit last sale reports of transactions in OTC equity securities to the OTC Reporting Facility. ([FINRA Case #2011029800501](#))

Essex Securities LLC ([CRD #46605](#), Topsfield, Massachusetts) submitted an AWC in which the firm was censured, fined \$20,000, ordered to pay \$6,009.70, plus interest, in restitution to customers and required to review its supervisory systems and WSPs regarding the sale of mutual funds for compliance with FINRA rules and the federal securities laws and regulations. FINRA imposed a lower fine in this case after it considered, among other things, the firm's revenues and financial resources. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that through a registered representative, the firm engaged in a pattern of unsuitable mutual fund switching in customer accounts, without having reasonable grounds for believing that such transactions were suitable for those customers, in view of the nature of the recommended transactions, the frequency of the transactions and the transaction costs incurred. The findings stated that the registered representative recommended that the customers sell mutual funds within only one to 13 months after purchasing them. The firm earned gross commissions of approximately \$60,000 on these switch transactions, of which the registered representative earned approximately \$54,000. On average, the customers held the Class A mutual funds at issue for less than six months. The registered representative then used the proceeds of those sales to purchase mutual funds offered by other fund families for those customers, causing the customers to pay additional commissions.

The findings also stated that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to prevent unsuitable mutual fund switching. The firm lacked adequate systems and procedures to monitor for unsuitable mutual fund switching in customer accounts. The firm did not have any exception reports or procedures to monitor for trends or patterns involving representatives who effected multiple mutual fund switch transactions for a customer within a short time period. The firm's WSPs did not provide guidance to supervisors regarding the appropriate steps to determine whether a registered representative may have engaged in unsuitable short-term and/or unsuitable mutual fund switching, whether a registered representative recommended the appropriate share class in a mutual fund switch transaction, or if additional action was necessary once a pattern of mutual fund switching was suspected or detected. The firm failed to reject any of the mutual fund switches that the registered representative effected in her customers' accounts. ([FINRA Case #2011025433901](#))

First New York Securities L.L.C. ([CRD #16362](#), New York, New York) submitted an AWC in which the firm was censured and fined \$80,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it conducted a securities business while failing to maintain the required minimum net capital. The findings stated that the firm was in net capital deficiency of (\$3,712,094). This net capital deficiency was the result of adjustments that totaled (\$7,657,320) and that were subtracted from the firm's excess net capital of \$3,945,226, and which also led to the filing of an inaccurate Financial and Operational Combined Uniform Single (FOCUS) report. The firm also improperly hedged its certificate of deposit (CD) inventory and applied an incorrect haircut charge in a net capital calculation. Lastly, the firm misclassified non-marketable equity securities with a total market value of \$406,496 as marketable securities, which contributed to filing an inaccurate FOCUS report. ([FINRA Case #2012033562801](#))

Gates Capital Corporation ([CRD #29582](#), New York, New York) submitted an AWC in which the firm was censured and fined \$25,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it made untimely submissions to the Short-term Obligation Rate Transparency System (SHORT). The findings stated that for all of the interest rate resets the firm effected, it failed to report the time at which it determined the interest rates and instead reported the time at which it submitted the interest rate resets to SHORT. The firm failed to maintain documentation reflecting the actual times at which the interest rate resets were determined for any of these interest rate resets. The findings also stated that the firm's procedures were not reasonably designed to ensure compliance with Municipal Securities Rulemaking Board (MSRB) rules because they failed to state the time by which interest rate resets must be reported to SHORT and also did not specify that the actual time of the interest rate reset must be reported to SHORT. ([FINRA Case #2013035250001](#))

Instinet, LLC ([CRD #7897](#), New York, New York) submitted an AWC in which the firm was censured and fined \$12,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it had fail-to-deliver positions at a registered clearing agency in two equity securities that resulted from a sale transaction the firm marked long, and did not close the fail-to-deliver positions by purchasing or borrowing securities of like kind and quantity within the time frame prescribed by Rule 204(a)(1) of Regulation SHO. The findings stated that the firm had fail-to-deliver positions at a registered clearing agency in two equity securities that resulted from sales of a security that the seller was deemed to own pursuant to §242.200 of Regulation SHO and intended to deliver once all restrictions on delivery had been removed, and did not close the fail-to-deliver positions by purchasing or borrowing securities of like kind and quantity within the time frame prescribed by Rule 204(a)(2) of Regulation SHO. ([FINRA Case #2010022632402](#))

KCG Americas LLC ([CRD #149823](#), Jersey City, New Jersey) submitted an AWC in which the firm was censured and fined \$5,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it entered quotations into an inter-dealer quotation system, which represented customer trading interest that was unsolicited by the firm, without meeting the minimum size requirements in FINRA Rule 6433. The findings stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and FINRA rules, concerning minimum quotation size requirements for OTC equity securities. ([FINRA Case #2013037235501](#))

LaSalle St Securities, L.L.C. ([CRD #7191](#), Elmhurst, Illinois) submitted an AWC in which the firm was censured and fined \$175,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that in the course of two routine examinations, FINRA found certain deficiencies that occurred at various times during a four-year period. The findings stated that with respect to private placement offerings, the firm failed to exercise adequate due diligence before allowing a registered representative to recommend the offering to four accredited investors and distributed a private-placement memorandum to potential investors that did not include certain material facts and relied on a flawed methodology for projecting return on investment. The firm failed to adequately supervise a representative's participation in an offering and failed to ensure that the offering documents were appropriately filed with FINRA. Independently, a second representative of the firm participated in private securities transactions away from the firm, which the firm did not adequately supervise.

The findings also stated that the firm allowed its representatives to send consolidated reports to its customers, but failed to adequately supervise those reports. Training was limited to blast emails to registered representatives advising them that consolidated statements needed to be submitted to the home office for review as correspondence. The firm also did not require that registered representatives send back-up data to its compliance department to verify the substantive accuracy of the data. Although the

consolidated reports sampled in this investigation were not found to be inaccurate or misleading, the firm failed to ensure compliance with its own procedures as well as pertinent rules relating to consolidated reports. ([FINRA Case #2013035055101](#))

Regal Securities, Inc. ([CRD #7297](#), Glenview, Illinois) submitted an AWC in which the firm was censured and fined \$12,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed on several occasions to promptly amend a registered representative's Form U4 to disclose the existence of several civil judgments and an Internal Revenue Service (IRS) lien. The findings stated that the firm failed to implement and enforce a supervisory system, including written procedures, reasonably designed to ensure that the firm made the proper Form U4 disclosures to achieve compliance with the firm's Form U4 reporting obligations. ([FINRA Case #2011027363402](#))

SpeedRoute LLC ([CRD #104138](#), New York, New York) submitted an AWC in which the firm was censured and fined \$52,500. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it conducted transactions in securities while failing to maintain its required minimum net capital. The findings stated that the firm created and maintained inaccurate books and records regarding certain liabilities the firm owed, and as to its computation of aggregated indebtedness and net capital. The firm also overstated its net capital and had net capital deficiencies. Because the firm failed to include liabilities on its FOCUS Balance Sheet and on its general ledger, quarterly FOCUS reports the firm filed were inaccurate. The findings also stated that the firm failed to implement an adequate supervisory system that was reasonably designed to achieve compliance with Securities Exchange Act of 1934 Rule 15c3-1 and the filing of accurate FOCUS reports, and failed to implement an adequate supervisory system that was reasonably designed to achieve compliance with its obligations to create and maintain accurate books and records regarding liabilities the firm owed and its computation of aggregated indebtedness and net capital. ([FINRA Case #2013039139901](#))

TradeStation Securities, Inc. ([CRD #39473](#), Plantation, Florida) submitted an AWC in which the firm was censured, fined \$25,000 and required to revise its WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it transmitted reports to the Order Audit Trail System (OATS™) that contained inaccurate, incomplete or improperly formatted data. The findings stated that the firm failed to adjust the price of stop market orders, failed to provide written notification disclosing to its customers that the transactions were executed at an average price, and failed to disclose its correct capacity in the transactions. The findings also stated that the firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to certain applicable securities laws and regulations, and/or FINRA and SEC rules. The firm's WSPs failed to provide for one or more of the four minimum requirements for adequate WSPs regarding order handling, anti-intimidation/coordination, trade reporting, sale transactions, other trading rules, soft-dollar accounts and trading, OATS and other

rules. The firm failed to provide sufficient documentary evidence that it performed the supervisory reviews set forth in its WSPs concerning supervisory system, procedures and qualifications; other trading rules; soft-dollar accounts and trading; and other rules. ([FINRA Case #2012031647301](#))

Individuals Barred or Suspended

Joseph Stanley Amundsen ([CRD #4728125](#), Easton, Pennsylvania) was barred from association with any FINRA member in any capacity. The United States Court of Appeals denied the petition for review and affirmed the Securities and Exchange Commission's (SEC) decision. The sanction was based on findings that Amundsen willfully failed to disclose a permanent injunction entered against him in connection with investment-related activity and a revocation of his license to act as an accountant on his Forms U4. ([FINRA Case #2010021916601](#))

John Anthony ([CRD #1304792](#), Lowell, Massachusetts) submitted an AWC in which he was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in any capacity for five months. Without admitting or denying the findings, Anthony consented to the sanctions and to the entry of findings that he willfully failed to timely update his Form U4 to disclose an IRS tax lien. The findings stated that Anthony included false and/or inaccurate information on customer annuity applications portraying these transactions as new sales instead of annuity replacement contracts—which his member firm prohibited—enabling him to avoid heightened supervisory scrutiny and causing his firm to create and maintain inaccurate books and records. The suspension is in effect from December 1, 2014, through April 30, 2015. ([FINRA Case #2013037649201](#))

Burt Martin Arnold ([CRD #2306999](#), Huntington Beach, California) submitted an AWC in which he was fined \$20,000 and suspended from association with any FINRA member in any principal capacity for 30 days. Without admitting or denying the findings, Arnold consented to the sanctions and to the entry of findings that he failed to establish, maintain and implement a reasonable supervisory system and WSPs designed to achieve compliance with Section 5 of the Securities Act of 1933. The findings stated that Arnold was his member firm's CCO, and was responsible for the firm's WSPs and for ensuring that the firm complied with applicable regulations and statutes. The findings also stated that Arnold, as his firm's AML compliance officer (AMLCO), failed to establish and implement an adequate AML program. Arnold failed to investigate various red flags that suggested suspicious activity that may have required the filing of a suspicious activity report.

The suspension was in effect from December 1, 2014, through December 30, 2014. ([FINRA Case #2010023220503](#))

Richard George Atkison Jr. (CRD #2722072, Dumont, New Jersey) submitted an Offer of Settlement in which he was fined \$10,000 and suspended from association with any FINRA member in any capacity for five months. Without admitting or denying the allegations, Atkison consented to the sanctions and to the entry of findings that he failed—and in one instance, willfully failed—to timely amend his Form U4 to disclose two outstanding civil judgments that were filed against him.

The suspension is in effect from November 17, 2014, through April 16, 2015. ([FINRA Case #2012033378501](#))

Linda Ann Averman (CRD #1112488, Las Vegas, Nevada) submitted an AWC in which she was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in any capacity for three months. Without admitting or denying the findings, Averman consented to the sanctions and to the entry of findings that she violated her member firms' policies by failing to disclose, or timely disclose, to her firms that she had been appointed and acted with a power of attorney (POA) and as an executrix for a customer, and that she had been designated a beneficiary of the customer's mutual fund account. The findings stated that Averman made false representations on firm compliance questionnaires regarding her check-writing authority and her POA for the customer.

The suspension is in effect from November 17, 2014, through February 16, 2015. ([FINRA Case #2012034847701](#))

Marc Halan Baldinger (CRD #1942349, Jensen Beach, Florida) submitted an AWC in which he was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in any capacity for 18 months and ordered to pay \$233,000, plus interest, in disgorgement of selling compensation. Without admitting or denying the findings, Baldinger consented to the sanctions and to the entry of findings that he participated in private securities transactions for selling compensation without his member firm's prior written approval. The findings stated that in connection with these private securities transactions, Baldinger failed to disclose his management positions with two limited liability companies to his firm. Baldinger also failed to disclose his management positions on firm compliance questionnaires. The findings also stated that Baldinger opened an account with another broker-dealer and did not notify his firm prior to or after opening the account. In addition, Baldinger did not disclose his status as a registered representative with another member firm to the executing broker-dealer.

The suspension is in effect from November 17, 2014, through May 16, 2016. ([FINRA Case #2013037765901](#))

Scott Dee Barker ([CRD #4754577](#), Layton, Utah) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Barker consented to the sanction and to the entry of findings that he failed to provide FINRA-requested documents and information in connection with an investigation into whether he misused insurance premiums for business and/or office expenses. ([FINRA Case #2014041073701](#))

Rick Dean Bianchi ([CRD #2580219](#), Des Moines, Iowa) submitted an AWC in which he was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for three months. Without admitting or denying the findings, Bianchi consented to the sanctions and to the entry of findings that he created and provided to his member firm a falsified document purporting to be from an insurance company in order to gain approval for an annuity exchange his firm had previously rejected. The findings stated that Bianchi created the false document on old letterhead that he obtained from the insurance company through his previous employment, and then submitted it to the firm in order to obtain approval for the variable annuity exchange. Bianchi did not have the insurance company's authorization to create the document, and the statements contained within the document were not true.

The suspension is in effect from December 1, 2014, through February 28, 2015. ([FINRA Case #2014040307401](#))

Donald L. Bratten ([CRD #1904756](#), North Platte, Nebraska) submitted an AWC in which he was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in any capacity for four months. Without admitting or denying the findings, Bratten consented to the sanctions and to the entry of findings that he participated in a private securities transaction without providing prior written notice to or obtaining approval from his member firm. The findings stated that Bratten solicited two firm customers to invest in a company, where he served as the chief financial officer (CFO), started by his son and another individual, without his firm's knowledge or approval. Bratten facilitated the private securities transaction away from the firm by causing one of the customers to transfer \$220,325 from her firm account to her bank account to purchase shares of the company. The findings also stated that Bratten participated in two outside business activities without providing prior written notice to the firm. Bratten became a salesperson for a company that markets anti-wrinkle cream in addition to his involvement with his son's company. Bratten failed to disclose his involvement in either of the activities to his firm.

The suspension is in effect from November 17, 2014, through March 16, 2015. ([FINRA Case #2013037765701](#))

Avi Cohen ([CRD #2410714](#), Brookline, Massachusetts) submitted an AWC in which he was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in a supervisory capacity for 20 business days. Without admitting or denying the findings, Cohen consented to the sanctions and to the entry of findings that as his member firm's managing partner and compliance officer, he failed to put in place a reasonable

supervisory system to ensure that the trade volume the firm advertised was accurate. The findings stated that Cohen failed to establish, maintain or enforce any WSPs with respect to the advertisement of trade volume. Cohen also failed to supervise the firm's head trader or the firm's traders' advertisement of trade volume. The firm's head trader and the firm traders manually advertised trade volume that exceeded the firm's executed trade volume in order to attract order flow to the firm. Cohen's failure to put in place a reasonable supervisory system or take the necessary supervisory steps allowed the firm's head trader and other firm traders to substantially over-advertise the firm's trade volume without being detected. The firm was unaware of the over-advertising of trade volume by the head trader and other firm traders until FINRA contacted it, after which the firm subsequently took steps to address the conduct.

The suspension was in effect from December 1, 2014, through December 29, 2014. ([FINRA Case #2014042368601](#))

Susan Ann Curnyn ([CRD #1375318](#), **Beechhurst, New York**) submitted an AWC in which she was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for two months. Without admitting or denying the findings, Curnyn consented to the sanctions and to the entry of findings that as a branch control officer at her member firm and a member of its compliance group, she caused altered documents, specifically, marketing materials that were missing necessary information, including certain disclosures, to be submitted to her firm in connection with an internal audit.

The suspension is in effect from November 17, 2014, through January 16, 2015. ([FINRA Case #2013035537601](#))

Radcliffe Robert Daly ([CRD #4663605](#), **Granger, Indiana**) submitted an AWC in which he was assessed a deferred fine of \$15,000 and suspended from association with any FINRA member in any capacity for nine months. Without admitting or denying the findings, Daly consented to the sanctions and to the entry of findings that he mismarked order tickets for solicited transactions as unsolicited. The findings stated that Daly recommended a penny stock to numerous customers and continued to solicit purchases of the stock and to mark the trades as unsolicited even after his member firm told him that he could not do so because it was a penny stock and not supported by firm research. By mismarking these order tickets, Daly created false books and records. The findings also stated that Daly participated in private securities transactions without providing written notice or reporting the transactions to his firm. In at least one instance, Daly helped effectuate the private transaction by transferring funds from the customer's brokerage account to the issuer. The findings also included that Daly exercised discretion in five customers' accounts without obtaining the customers' written authorization and his firm's written acceptance of that authorization.

The suspension is in effect from November 17, 2014, through August 16, 2015. ([FINRA Case #2014039820601](#))

Tory A. Duggins ([CRD #4556340](#), Middletown, New York) submitted an AWC in which he was fined \$7,500 and suspended from association with any FINRA member in any capacity for one month. Without admitting or denying the findings, Duggins consented to the sanctions and to the entry of findings that he exercised discretionary power in customer accounts by effecting transactions without obtaining the customers' prior written authorization and without having his member firm's acceptance of the accounts as discretionary. The findings stated that Duggins made false statements on a firm semi-annual compliance questionnaire concerning his exercise of time and price discretion and discretionary power in customer accounts.

The suspension was in effect from December 1, 2014, through December 31, 2014. ([FINRA Case #2012034825001](#))

Michael Christopher Evangelista ([CRD #2361644](#), West Chester, Pennsylvania) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Evangelista consented to the sanction and to the entry of findings that he failed to disclose to his member firms that firm customers were purchasing securities away from the firms or that he was being compensated in connection with his referrals. The findings stated that Evangelista referred approximately six customers to a third party, and those customers later invested in real estate securities issued by an entity that purportedly invested in real estate. Evangelista received at least \$50,000 in compensation in connection with these referrals. The findings also stated that Evangelista lacked a reasonable basis to recommend to his customers that they purchase the securities the entity issued, given his failure to perform a reasonable investigation and appropriate due diligence on the investment. The findings also included that during the course of FINRA's investigation, Evangelista provided information that he knew to be incomplete and/or inaccurate by claiming that he did not receive compensation for referring clients to the entity. Evangelista subsequently admitted during his on-the-record testimony that he had received compensation from the president of the entity in connection with his firms' clients' investments. ([FINRA Case #2012035327601](#))

Marc William Evans ([CRD #859585](#), Tulsa, Oklahoma) submitted an AWC in which he was fined \$10,000, suspended from association with any FINRA member in any capacity for 13 months and ordered to pay \$56,572, plus interest, in disgorgement of commission. These sanctions take into account the suspension and fine the Oklahoma Department of Securities imposed against Evans. Without admitting or denying the findings, Evans consented to the sanctions and to the entry of findings that he participated in private securities transactions for selling compensation without his member firm's prior written approval. The findings stated that Evans falsely responded to a question inquiring about his participation in private securities transactions on his firm's annual compliance questionnaires. The findings also stated that Evans did not disclose to his firm, in the appropriate form and manner required, of an outside business activity—specifically his membership on a corporation's board of directors.

The suspension is in effect from December 15, 2014, through January 14, 2016. ([FINRA Case #2013038421801](#))

James Donald Gilbert ([CRD #5705667](#), **Montgomery, Alabama**) submitted an AWC in which he was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for four months. Without admitting or denying the findings, Gilbert consented to the sanctions and to the entry of findings that he borrowed \$9,000 from an elderly customer who had recently opened a brokerage account at his member firm with a registered representative for whom Gilbert served as a registered sales assistant. The findings stated that Gilbert did not inform his firm or obtain its prior written approval for the loan. Furthermore, the firm's WSPs prohibited loans with customers unless they were immediate family members. The customer was not related to Gilbert. The customer transferred his brokerage account to a new member firm where Gilbert had become employed and became Gilbert's customer. Gilbert discussed and entered into modifications to the terms of the loan arrangement with the customer. These modifications included the forgiveness of approximately \$6,000 of the loan balance and the subsequent revocation of that forgiveness. Gilbert never informed the new firm of, or obtained written approval from it for the loan or the modifications to the loan arrangement. The new firm's WSPs prohibited loans with customers unless they were immediate family members.

The suspension is in effect from November 17, 2014, through March 16, 2015. ([FINRA Case #2013039086901](#))

Darren C. Goodrich ([CRD #4213469](#), **Manhattan Beach, California**) submitted an AWC in which he was fined \$10,000 and suspended from association with any FINRA member in any capacity for 30 days. Without admitting or denying the findings, Goodrich consented to the sanctions and to the entry of findings that on behalf of certain clients, he sold certain shares of an issuer whose securities were not registered and were not subject to an applicable exemption from registration, in contravention of Section 5 of the Securities Act of 1933. The findings stated that Goodrich's customers repeatedly deposited and sold large blocks of the issuer. The customers completed deposited securities questionnaires, in which they indicated that they acquired the shares in private transactions from other members of the group. They did not give any explanation of their business activities, and Goodrich and his member firm did not adequately investigate the transactions to determine the basis for the repeated issuance of large blocks of stock. Despite the presence of red flags, the firm approved the sale, concluding the customers were not acting in concert. That conclusion was not reviewed or revisited, even after six of the customers sold about four million shares six days later, all in one day. Goodrich took and executed the sell orders in two groups. The first was completed within 90 seconds and, an hour later, the second was completed within one minute. Goodrich failed to undertake sufficient efforts to ascertain whether the stock could be properly sold, and accordingly did not satisfy his duty to conduct a reasonable inquiry, which is a crucial part of the brokers' exemption.

The suspension was in effect from December 1, 2014, through December 30, 2014. ([FINRA Case #2010023220505](#))

Jeffrey Brian Grove ([CRD #3000877](#), Viera, Florida) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Grove consented to the sanction and to the entry of findings that he converted the proceeds of office equipment sales, totaling approximately \$1 million, for his own use and benefit by utilizing his member firm's corporate procurement system to purchase the office equipment and then selling the items to different individuals. ([FINRA Case #2014042497701](#))

John Charles Hanson ([CRD #2420584](#), Spokane, Washington) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Hanson consented to the sanction and to the entry of findings that he refused to respond to FINRA requests for information, documents and testimony in connection with an investigation involving allegations that he misappropriated more than \$300,000 from at least two member firm customers. The findings stated that Hanson, through his counsel, stated that he would not produce any documents or information or appear for testimony. ([FINRA Case #2014042675001](#))

Patrick Richard Harrison ([CRD #4976695](#), Fircrest, Washington) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Harrison consented to the sanction and to the entry of findings that he participated in a series of private securities transactions by introducing two senior investors to an individual who purported to sell the investors discounted shares in a publically traded regional bank without providing prior notice to his member firm. The findings stated that in addition to making the introductions, Harrison participated in phone calls involving the investors and the individual, and assisted in the mechanics of having funds transferred or deposited with the individual and/or entities the individual controlled. Harrison received over \$14,000 from the individual. The individual ultimately never delivered any shares to the investors, who lost over \$340,000 as a result. The findings also stated that Harrison made material misstatements and omissions concerning the investment to the investors. Harrison failed to adequately respond to red flags that the investment opportunity being presented was not genuine. ([FINRA Case #2014041898801](#))

Matthew Anson Hodge ([CRD #6034573](#), Fairport, New York) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Hodge consented to the sanction and to the entry of findings that he failed to appear for a FINRA-requested on-the-record interview. ([FINRA Case #2013036184401](#))

George Wayne Hoffman ([CRD #5068220](#), Parkville, Maryland) was barred from association with any FINRA member in any capacity. The sanction was based on findings that Hoffman converted \$17,000 from an elderly firm customer for his own benefit, without the customer's knowledge or authorization. The findings stated that Hoffman used falsified letters of authorization (LOAs) to cause his firm to transfer money from the customer's

account at the firm to his landlord. Hoffman then applied the funds to pay his personal debts and expenses. By submitting the falsified LOAs to his firm, Hoffman caused the firm to maintain inaccurate books and records. The findings also stated that Hoffman accepted a personal loan of \$36,000 from the customer. The loan was not memorialized in writing and Hoffman did not request or receive his firm's approval to accept the loan. Hoffman has not repaid any of the loan funds to the customer. The findings also included that Hoffman failed to respond to FINRA's requests for information, documents and testimony. ([FINRA Case #2012032922101](#))

Robert Lee Jamell ([CRD #4037871](#), Greenfield, Indiana) submitted an AWC in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for 15 days. Without admitting or denying the findings, Jamell consented to the sanctions and to the entry of findings that he failed to timely amend his Form U4 to disclose felony criminal charges.

The suspension was in effect from December 1, 2014, through December 15, 2014. ([FINRA Case #2012032476101](#))

Joseph Monroe Jones ([CRD #821039](#), Seabrook, New Hampshire) submitted an AWC in which he was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for 30 business days. Without admitting or denying the findings, Jones consented to the sanctions and to the entry of findings that he impersonated a client during a telephone call to a variable annuity provider. The findings stated that Jones assisted the client in purchasing a variable annuity with the variable annuity provider. At a later date, the variable annuity provider received a telephone call from an individual who purported to be the client, and the individual requested a withdrawal form for his annuity contract. An investigation by the variable annuity provider and analysis by representatives of Jones' member firm confirmed that it was, in fact, Jones who had made the telephone call and had impersonated the client. Jones later admitted that he had made the telephone call and impersonated the client.

The suspension was in effect from November 17, 2014, through December 30, 2014. ([FINRA Case #2014040677101](#))

Constance Marie Larsen ([CRD #1171750](#), Centreville, Virginia) submitted an AWC in which she was assessed a deferred fine of \$20,000 and suspended from association with any FINRA member in any capacity for two years. Without admitting or denying the findings, Larsen consented to the sanctions and to the entry of findings that she borrowed \$16,900 from an elderly customer without notifying or receiving pre-approval from her member firm. The findings stated that Larsen knew the firm's written procedures prohibited the loans and she took affirmative steps to hide the loans from her firm. Larsen intentionally failed to disclose the loans during her firm's online annual compliance process and falsely stated to her firm that she had not borrowed funds from clients. As a result of her misrepresentation, her firm maintained false records. The findings also stated that Larsen

willfully failed to disclose or timely disclose civil judgments totaling \$56,320.10 on her Form U4. Larsen was aware of at least two of those judgments but decided not to disclose them until the matters were resolved.

The suspension is in effect from November 17, 2014, through November 16, 2016. ([FINRA Case #2013038483201](#))

Peter Sen Lau ([CRD #2302677](#), New York, New York) submitted an AWC in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for 20 business days. Without admitting or denying the findings, Lau consented to the sanctions and to the entry of findings that he utilized a Web-based personal email account to conduct member firm-related business even though he was aware of the firm's policy prohibiting the use of personal email accounts for business purposes and after the firm advised him repeatedly that such use was improper. The findings stated that Lau's use of a personal email account to conduct firm-related business caused the firm to fail to comply with its recordkeeping and supervisory obligations.

The suspension was in effect from December 1, 2014, through December 29, 2014. ([FINRA Case #2011029206502](#))

Jennifer L. Lo Grasso ([CRD #4678517](#), Greenwich, Connecticut) submitted an AWC in which she was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in any principal capacity for three months. Without admitting or denying the findings, Lo Grasso consented to the sanctions and to the entry of findings that during her member firm's internal audit of her branch, she and a branch control officer submitted revised marketing materials for production to the audit staff knowing that they had been altered and that they would be used in the audit. The findings stated that Lo Grasso, a complex administrative manager responsible for supervising the branch control officer, knew that during the audit, the branch control officer was working with other firm employees to have missing information added to the marketing materials that would be produced to the audit staff. Lo Grasso failed to make a reasonable inquiry or conduct an adequate follow-up or review as to whether the branch control officer's conduct was permissible and failed to take action to prevent the branch control officer from engaging in the conduct.

The suspension is in effect from November 17, 2014, through February 16, 2015. ([FINRA Case #2013035537602](#))

James Orlow Maloney ([CRD #1056257](#), South Colorado Springs, Colorado) submitted an AWC in which he was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in any capacity for 10 months. Without admitting or denying the findings, Maloney consented to the sanctions and to the entry of findings that he sold equity-indexed annuities (EIAs) outside the scope of his employment with his member firm and without providing the firm any notice of the business activity. The findings stated that

Maloney's undisclosed EIA sales totaled approximately \$8,284,390, of which approximately \$1,200,000 were related to sales to firm customers. The findings also stated that in annual attestations, Maloney falsely certified to the firm that he had not engaged in any undisclosed outside business activity.

The suspension is in effect from December 1, 2014, through September 30, 2015. ([FINRA Case #2013036521301](#))

Terence Marable ([CRD #5437050](#), Palos Park, Illinois) submitted an AWC in which he was suspended from association with any FINRA member in any capacity for five months. In light of Marable's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Marable consented to the sanction and to the entry of findings that he engaged in an outside business activity by establishing a company for the purpose of buying and selling real estate properties, without providing prior written notice to his member firm. The findings stated that Marable borrowed a total of \$215,000 from a firm customer and close family friend, without receiving the required written approval from the firm. Marable repaid \$72,000 to the customer. The findings also stated that Marable falsely attested on his annual compliance questionnaire that he had disclosed all outside business activities and that he would abide by the firm's policies and procedures that prohibited registered representatives from borrowing money from customers.

The suspension is in effect from November 17, 2014, through April 16, 2015. ([FINRA Case #2014041166701](#))

Jennifer S. McCall (ID #11031149, Jersey City, New Jersey) submitted an AWC in which she was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, McCall consented to the sanction and to the entry of findings that she converted approximately \$18,410 from her member firm by submitting fraudulent expense reports to the firm seeking reimbursement for fictitious expenses. McCall electronically approved the expense reports through the use of her supervisor's user ID and password. While McCall's supervisor had authorized her to use the user ID and password to approve certain expense reports, she was not authorized to approve her own expense reports. The creation and submission of these reports caused the firm to maintain inaccurate books and records. ([FINRA Case #2013038599101](#))

James Mark McLaughlin ([CRD #1925099](#), Westover, Alabama) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, McLaughlin consented to the sanction and to the entry of findings that he excessively traded customers' accounts. The findings stated that McLaughlin recommended unsuitable short-term trading of A-share mutual funds in customers' accounts, causing the customers to pay unnecessary mutual fund fees. McLaughlin received over \$8,000 in commissions. McLaughlin did not have any reasonable basis to believe that the short-term trading of A-share mutual funds was suitable for his customers. The findings also stated that McLaughlin engaged in unauthorized trading in customers'

accounts. McLaughlin did so at least in part by placing trades in these customer's accounts without having discussions with the customers about the trades prior to the transactions and without obtaining the customers' authorization to place the trades. One customer verbally gave McLaughlin discretionary authority, but she did not provide him any written authorization to exercise discretion in her account. In addition, McLaughlin's member firm had not approved and accepted the customer's account as a discretionary account. ([FINRA Case #2012034584301](#))

Malcolm McGregor Meikle Jr. (CRD #331313, Standish, Maine) submitted an AWC in which he was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in any capacity for 20 business days. Without admitting or denying the findings, Meikle consented to the sanctions and to the entry of findings that he purchased Unit Investment Trusts (UITs) for clients without prior written authorization. The findings stated that although Meikle had verbal authorization to exercise discretion in these accounts, the customers had not provided him with written authorization, and his member firm had not approved these accounts as discretionary. The findings also stated that Meikle effected purchases in customer accounts without the customer's knowledge, authorization or consent.

The suspension was in effect from December 1, 2014, through December 29, 2014. ([FINRA Case #2013037685001](#))

Suzanne Ellen Meserve (CRD #6135807, Waterford, Connecticut) submitted an AWC in which she was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Meserve consented to the sanction and to the entry of findings that during a FINRA Series 7 qualification examination, she accessed unauthorized written materials containing information relevant to the content of the examination. The findings stated that before the examination began, Meserve certified that she had read, understood and agreed to the FINRA Test Center Rules of Conduct. ([FINRA Case #2014041741801](#))

Jodie Linn Miller (CRD #4772684, St. Petersburg, Florida) submitted an AWC in which she was assessed a deferred fine of \$53,225, which includes disgorgement in the amount of \$38,225, plus interest, and suspended from association with any FINRA member in any capacity for 18 months. Without admitting or denying the findings, Miller consented to the sanctions and to the entry of findings that she participated in private sales of \$764,500 worth of a company's securities for which she earned commissions of approximately \$38,225 without notifying either of her member firms of her participation, and obtaining either firm's approval to participate. The findings stated that six customers of one of Miller's firms purchased the company's notes from her and at least one of those customers believed that he was purchasing a product the firm was recommending. The company's securities were not registered at the time Miller participated in their sale, nor was there any applicable exemption from registration. By selling the company's securities, Miller

participated in an unregistered distribution of securities in contravention of Section 5 of the Securities Act of 1933. Miller recommended the company's securities to investors without having conducted adequate due diligence, despite red flags that should have led Miller to question its claim that the securities were exempt from registration, and without having a reasonable basis for believing that the securities were suitable for those investors. Miller did not obtain or maintain records reflecting information about the customers' basic investment profiles.

The suspension is in effect from November 17, 2014, through May 16, 2016. ([FINRA Case #2014040851701](#))

Dudley Muth (CRD #1013651, Redondo Beach, California) submitted an AWC in which he was fined \$20,000 and suspended from association with any FINRA member in any principal capacity for 30 days, with the exception of any activities requiring a Series 27 license. Without admitting or denying the findings, Muth consented to the sanctions and to the entry of findings that he failed to establish, maintain and implement an adequate supervisory system and WSPs designed to achieve compliance with Section 5 of the Securities Act of 1933. The findings stated that Muth was his member firm's CCO, and was responsible for the firm's WSPs and ensuring that the firm complied with applicable regulations and statutes. The firm, through Muth, relied too heavily on the statements of customers or third parties for the determination of marketability or Rule 144 qualification without additional review. The findings also stated that Muth, as his firm's AMLCO, failed to establish and implement an adequate AML program. Muth failed to investigate various red flags that suggested suspicious activity that may have required the filing of a suspicious activity report.

The suspension is in effect from January 5, 2015, through February 3, 2015. ([FINRA Case #2010023220504](#))

Steven Arthur Newman (CRD #3041185, Toms River, New Jersey) submitted an AWC in which he was fined \$5,000 and suspended from association with any FINRA member in any capacity for one month. Without admitting or denying the findings, Newman consented to the sanctions and to the entry of findings that he engaged in an undisclosed outside business activity without providing prior written notice to his member firm. The findings stated that Newman owned and operated a cleaning business form which he made approximately \$40,000 annually. On his firm's 2010 through 2012 Financial Advisor Questionnaires, Newman falsely indicated that he was not involved in any business activities outside of the firm.

The suspension was in effect from December 1, 2014, through December 31, 2014. ([FINRA Case #2013039332601](#))

Gregory Hill Noble ([CRD #1770038](#), Houston, Texas) submitted an AWC in which he was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for six months. Without admitting or denying the findings, Noble consented to the sanctions and to the entry of findings that he willfully failed to disclose that he had been charged and pled guilty to a felony in five separate Form U4 filings.

The suspension is in effect from December 1, 2014, through May 31, 2015. ([FINRA Case #2013035508101](#))

Gregory John Oelerich ([CRD #5832683](#), Middleton, Wisconsin) was barred from association with any FINRA member in any capacity. The sanction was based on findings that Oelerich converted \$1,212 by taking the credit cards of two colleagues without permission and using those cards to make unauthorized purchases. ([FINRA Case #2014039764901](#))

Dale Edward Para ([CRD #1028917](#), North Oxford, Massachusetts) was barred from association with any FINRA member in any capacity. The sanctions were based on findings that Para intentionally provided false trading and account information to a customer and the customer's father, who had power of attorney over the customer's account. The findings stated that Para misrepresented to the customer and the father that he had executed hundreds of requested trades in the customer's account when he had not, and misled the customer and his father into believing that his account transferred with Para from one member firm to another when it had not. Para concealed his misconduct by providing hand-written trade summaries to the customer and the father, and went so far as to create type-written trade summaries that included his firm's name and its telephone number. ([FINRA Case #2013037332701](#))

Matthew Gerard Perry ([CRD #4122328](#), Spring Valley, New York) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Perry consented to the sanction and to the entry of findings that Perry used his personal account to cash a \$12,017.90 third-party check under suspicious circumstances. The findings stated that an acquaintance requested that Perry deposit the insurance check into his personal account and withdraw the funds as a favor for a person whom the acquaintance stated did not have adequate identification or a bank account. Perry was told he could keep \$500 as a fee for conducting the transaction. Without taking any steps to assess the check's validity, Perry deposited the check into his personal savings account, withdrew \$9,100 and delivered the funds to the acquaintance. Perry retained and later spent the balance of the initial deposit. The check at issue had been stolen and the payee's endorsement had been forged. ([FINRA Case #2014039974601](#))

John Joseph Plunkett ([CRD #2321368](#), Brooklyn, New York) was barred from association with any FINRA member in any capacity. The SEC sustained the bar imposed by the National Adjudicatory Council (NAC). The sanctions were based on findings that Plunkett removed his former member firm's books and records without the firm's authorization, and erased the firm's electronic files and computer servers. The SEC also upheld the NAC's findings that Plunkett partially failed to respond to FINRA's requests for information and documents. ([FINRA Case #2006005259801](#))

Jamie David Pope ([CRD #4172805](#), Winter Park, Florida) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Pope consented to the sanction and to the entry of findings that he converted funds a customer of his member firm provided to him for the express purposes of investing in one of Pope's outside business activities involving the sale of premium finance and purchasing real estate. The findings stated that rather than using the entirety of the funds for the customer's intended purpose, Pope converted a significant portion of the funds to his own use and benefit. The customer issued checks totaling \$60,000 personally to Pope. Pope represented that the entirety of the funds would be used for the customer's intended purpose. At no time did the customer authorize Pope to use the funds for any other purpose. However, after depositing the funds into his personal checking account, Pope converted at least \$13,197 to his own use and benefit in order to pay for his personal expenses. ([FINRA Case #2013039013601](#))

Alfred Pierrepont Reeves III ([CRD #372836](#), Hallandale, Florida) was barred from association with any FINRA member in any capacity and ordered to pay \$28,704.93, plus prejudgment interest, in restitution to his former employer. The NAC affirmed the findings and sanctions imposed by the Office of Hearing Officers (OHO) decision. The sanctions were based on findings that Reeves converted his former employer firm's funds. The findings stated that Reeves, who served as the firm's Financial and Operations Principal (FINOP), was listed as his employer firm's authorized billing contact with the firm's clearing firm. After Reeves' contract with the firm was terminated, a proprietary trade was made in the firm president's IRA account. The clearing firm withheld a total of \$59,704.93 on commission on these trades, which it reported on the firm's statement of clearing charges. After his termination, Reeves was still listed as the authorized billing contact and directed the clearing firm to pay the commissions to Reeves' consulting company because it had not been notified that he was no longer at the firm and should be removed as the designated billing contact. After learning that the transfer was complete, Reeves began withdrawing money from the account, transferring money to his ex-wife's account and paying personal expenses, without contacting the clearing firm or his former firm to clarify the source or purpose of the transfer. After the firm's president accused Reeves of stealing the money, Reeves offered to repay the clearing firm on the conditions that it admit that it had misappropriated the firm's funds and paid them to Reeves in error, and that he would not make any payments until he resolved all issues with FINRA. Reeves eventually repaid \$31,000 to the clearing firm and admitted he had not repaid the balance.

This matter has been appealed to the SEC and the bar is in effect pending the review. ([FINRA Case #2011030192201](#))

Daniel Lee Ritz Jr. ([CRD #1977521](#), Katy, Texas) submitted an AWC in which he was suspended from association with any FINRA member in any principal capacity for 18 months and ordered to requalify by examination for the Series 24 license before again acting in a principal capacity. In light of Ritz's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Ritz consented to the sanctions and to the entry of findings that despite red flags, he did not take any steps to prevent a

registered representative from selling a company's note offering, to ensure that the note offering had undergone the firm's new product approval process pursuant to its WSPs, or to otherwise supervise the transactions in any way. The findings stated that by approving various documentation related to the offering investments and failing to take steps to ensure that the representative sold only firm-approved products that had previously undergone a product approval process, Ritz failed to supervise the representative in a manner designed to achieve compliance with applicable FINRA rules.

The suspension is in effect from December 1, 2014, through May 31, 2016. ([FINRA Case #2012030725801](#))

Jeffery Paul Saey ([CRD #4249179](#), Rockford, Illinois) submitted an AWC in which he was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for three months. Without admitting or denying the findings, Saey consented to the sanctions and to the entry of findings that he operated an insurance agency with another individual and on at least 11 occasions, signed the individual's name on insurance forms in order to effectuate disbursements on behalf of customers who were seeking to withdraw funds. The findings stated that the other individual was frequently out of the office, and thus unavailable to perform some business functions.

The suspension is in effect from November 17, 2014, through February 16, 2015. ([FINRA Case #2014041005901](#))

Edward Stringer Samson ([CRD #2034407](#), Weston, Connecticut) submitted an AWC in which he was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for six months. Without admitting or denying the findings, Samson consented to the sanctions and to the entry of findings that he participated in private securities transactions without prior written notice and his member firm's approval. The findings stated that Samson inaccurately completed a firm annual compliance questionnaire in which he indicated that he had not engaged in any private securities transactions while associated with the firm.

The suspension is in effect from November 3, 2014, through May 2, 2015. ([FINRA Case #2012034056901](#))

Christopher Michael Santiago ([CRD #5197164](#), West New York, New Jersey) submitted an AWC in which he was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for 45 days. Without admitting or denying the findings, Santiago consented to the sanctions and to the entry of findings that he created, and caused to be created, falsified documents—specifically, altered marketing materials, which were subsequently submitted to his member firm in connection with an internal audit.

The suspension was in effect from November 17, 2014, through December 31, 2014. ([FINRA Case #2013035537603](#))

Joseph Scott Schaffer ([CRD #5114065](#), New York, New York) submitted an Offer of Settlement in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the allegations, Schaffer consented to the sanction and to the entry of findings that he and other individuals fraudulently sold a total of nearly \$3 million worth of Senior Secured Zero Coupon Notes issued by a company in a private placement offering to customers. The findings stated that Schaffer recklessly misrepresented material facts about the offering, which promised to pay a return of 100 percent in one year by purportedly extracting precious metals from materials left over from mining operations. The investors lost all of the money that they invested in the notes, with the exception of three investors who were repaid with funds from new investors, including one such transaction Schaffer had effected. Schaffer recklessly failed to conduct a reasonable investigation of the viability and legitimacy of the notes in the face of numerous red flags that the offering was a fraud. As a result of his conduct, Schaffer willfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The findings also stated that Schaffer failed to obtain basic information about the offering that was necessary to the due diligence process in order to understand an investment in the company. Without such information, Schaffer lacked a reasonable basis to recommend the notes to investors. ([FINRA Case #2010024522103](#))

Howard Lester Schwartz ([CRD #828039](#), Boca Raton, Florida) submitted an AWC in which he was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for 30 business days. Without admitting or denying the findings, Schwartz consented to the sanctions and to the entry of findings that he engaged in two outside business activities without requesting and receiving authorization from his member firm to do so. The findings stated that in one of the outside business activities, Schwartz established a company for services that included bill-paying services. Schwartz's firm had explicitly prohibited bill-paying services in a prior approval of outside business activity for his law firm and accounting activities. The second outside business activity involved Schwartz and three other individuals forming a limited liability company to invest in real estate. The suspension was in effect from December 1, 2014, through January 13, 2015. ([FINRA Case #2013037953601](#))

Malcolm Segal ([CRD #1723563](#), Langhorne, Pennsylvania) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Segal consented to the sanction and to the entry of findings that he failed to provide documents and information or appear for testimony, as FINRA requested, involving an investigation into allegations that he transferred member firm customer funds via wire to an outside business under his control. ([FINRA Case #2014041990901](#))

Mark Jon Slocum ([CRD #4303671](#), St. Paul, Minnesota) submitted an AWC in which he was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for 18 months. Without admitting or denying the findings, Slocum consented to the sanctions and to the entry of findings that as part of a check-

kiting scheme, he wrote checks totaling \$163,865 payable to himself from two brokerage accounts at his member firm that he owned or controlled, when he knew that these accounts contained insufficient funds. The findings stated that although sufficient funds were eventually credited to these accounts, Slocum was able to temporarily use funds, which he did not have, to pay personal and business expenses. Slocum's firm did not suffer any financial losses from his misconduct.

The suspension is in effect from December 1, 2014, through May 31, 2016. ([FINRA Case #2013039537701](#))

Michael John Smeriglio III. ([CRD #2499903](#), Old Greenwich, Connecticut) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Smeriglio consented to the sanction and to the entry of findings that he failed to provide FINRA-requested documents and information pertaining to an investigation into allegations that he converted customer funds from a customer's estate and trust. Counsel for Smeriglio notified FINRA that he would not be providing the documents or information requested. ([FINRA Case #2014042110701](#))

Michael Reid Smith ([CRD #1532609](#), Alpharetta, Georgia) submitted an AWC in which he was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in any capacity for three months. Without admitting or denying the findings, Smith consented to the sanctions and to the entry of findings that despite being aware of five federal tax liens, he willfully failed to timely update his Form U4 to report two of the liens, willfully failed to timely and accurately report the other two liens, and willfully failed to report one of the liens entirely.

The suspension is in effect from November 17, 2014, through February 16, 2015. ([FINRA Case #2012033469701](#))

Steven Lee Stahler ([CRD #1706697](#), Galveston, Texas) submitted an Offer of Settlement in which he was assessed a deferred fine of \$15,000 and suspended from association with any FINRA member in any capacity for six months. Without admitting or denying the allegations, Stahler consented to the sanctions and to the entry of findings that he made unsuitable recommendations to customers. The findings stated that in light of the customers' financial situation and needs, Stahler did not have any reasonable grounds to recommend that they invest a significant portion of their portfolio and net worth in private placements and real estate investment trusts (REITs). Stahler made a total of approximately \$165,000 in net commissions on the private placements and REITs he recommended to the customers. The findings also stated that Stahler negligently misrepresented material facts in connection with the recommendations he made to three of the customers, stating that the investments were only moderately risky and that the offering documents had overstated the risk.

The suspension is in effect from November 17, 2014, through May 16, 2015. ([FINRA Case #2012031734402](#))

Michael Allen Stakes ([CRD #2816884](#), Spring, Texas) submitted an AWC in which he was assessed a deferred fine of \$15,000 and suspended from association with any FINRA member in any principal capacity for three months. Without admitting or denying the findings, Stakes consented to the sanctions and to the entry of findings that he permitted an individual, who had been suspended in her capacity as a FINOP and ordered to requalify by examination, prior to resuming work as a FINOP, to act as his member firm's FINOP throughout the individual's suspension and without her ever requalifying by examination. The findings stated that Stakes was responsible, in his capacity as CCO, for ensuring that each of the firm's associated persons had the requisite securities licenses. Stakes represented to FINRA that the suspended and disqualified individual would not conduct any of her customary duties during her suspension, and that the firm's CFO would perform many of the individual's duties.

The suspension is in effect from December 1, 2014, through February 28, 2015. ([FINRA Case #2013036030401](#))

Damian Jude Sylvia ([CRD #1785603](#), Ocean Grove, New Jersey) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Sylvia consented to the sanction and to the entry of findings that he failed to appear for on-the-record testimony requested by FINRA and indicated through his counsel that he would not appear at any time. The findings stated that FINRA was investigating disclosures on Sylvia's Form U5s and allegations in a customer's arbitration. ([FINRA Case #2013035843801](#))

Adam Brett Weissberger ([CRD #4315350](#), Vernon, Connecticut) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Weissberger consented to the sanction and to the entry of findings that he forged customers' signatures on applications for mortgage disability income policies with an insurance company. The findings stated that the customers were unaware of these applications, and they had not authorized Weissberger to complete the forms or sign their names. Weissberger paid the associated policy premiums and submitted the policy applications because he needed to achieve certain production targets or risked losing his insurance agency agreement with the insurance company. ([FINRA Case #2013038098301](#))

Joseph Brandon Westphal ([CRD #4769381](#), Tampa, Florida) was barred from association with any FINRA member in any capacity. The sanction was based on findings that Westphal failed to respond to FINRA requests to provide documents and information. The findings stated that FINRA was investigating allegations by Westphal's previous member firm that he had opened multiple accounts without approval, had stolen funds and had committed serious ethical violations. ([FINRA Case #2011030166801](#))

David Johnson Whiting ([CRD #6187362](#), Pasadena, California) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Whiting consented to the sanction and to the entry of findings that he forged payroll forms and altered his hourly payroll rate without his member firm's knowledge or consent, thereby converting \$800 from the firm by receiving compensation to which he was not entitled. ([FINRA Case #2014041060501](#))

August Donat Wojtkiewicz ([CRD #6083270](#), New York, New York) was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in any capacity for one year. The sanctions were based on findings that Wojtkiewicz willfully failed to disclose that he had never been charged with or pled guilty to any felony on his Form U4.

The suspension is in effect from November 17, 2014, through November 16, 2015. ([FINRA Case #2012034042001](#))

Nan Benson Xie ([CRD #5855433](#), Corona, California) submitted an AWC in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Xie consented to the sanction and to the entry of findings that he converted \$3,697.77 in funds belonging to his employing investment adviser firm, for his own personal use and without the firm's knowledge or approval, by writing and cashing two checks on the firm's bank account made payable to himself. The findings stated that when the firm confronted him, Xie admitted to having written the checks. Xie repaid the funds after his conversion was discovered. ([FINRA Case #2014042159601](#))

Decisions Issued

The Office of Hearing Officers (OHO) issued the following decisions, which have been appealed to or called for review by the NAC as of November 30, 2014. The NAC may increase, decrease, modify or reverse the findings and sanctions imposed in the decisions. Initial decisions where the time for appeal has not yet expired will be reported in future issues of *FINRA Disciplinary and Other Actions*.

Richard Allen McGuire ([CRD #4637028](#), Bay Shore, New York) was barred from association with any FINRA member in any capacity and ordered to pay \$95,000, plus interest, in restitution to a customer's estate. The sanctions were based on findings that McGuire converted a customer's funds by taking \$95,000 under false pretenses, used the money for his own purposes, and when the customer requested the money back, refused to comply with her request. The findings also stated that McGuire forged or caused to be forged the customer's signatures on loan agreements he generated and copied, supplied to FINRA, and used in an effort to support his false assertions that the customer loaned him money. The findings also included that McGuire failed to provide notice of three outside business activities to his member firms. FINRA found that McGuire failed to inform three of his firms of the existence of two brokerage accounts held away from those firms and likewise failed

to inform the broker-dealers holding his accounts of his association with his firms. FINRA also found that McGuire willfully failed to disclose state tax warrants and a federal tax lien on his Form U4.

This matter has been appealed to the NAC and the sanctions are not in effect pending review. ([FINRA Case #2011027350301](#))

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.

Raymond Thomas Clark ([CRD #3120696](#), Buffalo, New York) was named a respondent in a FINRA complaint alleging that he failed to appear and provide FINRA-requested on-the-record testimony. The complaint alleges that Clark's failure to provide the requested testimony materially impeded FINRA's investigation of several critical matters, including whether Clark excessively traded and/or engaged in unauthorized transactions in multiple customer accounts, exercised discretion without authorization, and accepted trading instructions from an individual who was not authorized to exercise trading authority in a customer account. ([FINRA Case #2014040349001](#))

Jon Lawrence Cox ([CRD #2073950](#), Knoxville, Tennessee) was named a respondent in a FINRA complaint alleging that he failed to comply with written requests from FINRA that he provide documents and information related to an investigation into whether he may have engaged in unauthorized outside business activities, private securities transactions and/or unauthorized customer loans. ([FINRA Case #2014040234701](#))

Bart James Ellis ([CRD #4348559](#), Chicago, Illinois) was named a respondent in a FINRA complaint alleging that he exercised discretion in a customer's account without written authorization. The complaint alleges that when Ellis learned that the customer had told his member firm that he made trades for her without prior discussion, he created entries in a computerized log of telephone conversations that falsely reflected telephone calls with the customer in which she was represented to have authorized transactions in her account. The complaint also alleges that Ellis failed to appear for FINRA-requested testimony. ([FINRA Case #2012034573001](#))

Stephen Joseph Kipp ([CRD #1255862](#), Ventura, California) and **Julie Ann Pritchard** ([CRD #2960716](#), Ventura, California) were named respondents in a FINRA complaint alleging that Kipp permitted Pritchard, who was registered with his member firm, to affix his signature

to documents that were intended to become business records of the firm. The complaint alleges that the firm was not informed that Pritchard had placed Kipp's signature on these records and, unknowingly, maintained the falsified documents as business records. By authorizing and permitting Pritchard to affix what appeared to be his signature to these documents, Kipp caused the creation of falsified business records. Pritchard also falsified another registered representative's signatures on documents intended to be firm business records and then submitted them to the firm. Pritchard failed to disclose that she, not Kipp or the other registered representative, had signed the documents, which caused the firm to unknowingly maintain the falsified documents as business records. None of the documents bore any notation indicating that Kipp's or the other registered representative's names had been signed by anyone other than Kipp or the registered representative. Kipp had authorized Pritchard to sign his name, and Pritchard signed the other registered representative's name without his consent or authorization. ([FINRA Case #2010022784601](#))

Jeffrey Donald Noard ([CRD #1983392](#), Menomonee Falls, Wisconsin) was named a respondent in a FINRA complaint alleging that he made an unsuitable recommendation for investments in a renewable secured debenture totaling \$20,000 to one of his elderly customers at his member firm. The complaint alleges that Noard's recommended investment committed 50 percent of the customer's liquid net worth to the debenture, which was an illiquid, speculative investment that involved a high degree of risk, including the risk of losing the entire investment. Noard did not have reasonable grounds for believing that the proposed investment in the debentures was suitable for his customer based on the customer's financial situation, objective and needs. ([FINRA Case #2012034936101](#))

Asa Saint Clair ([CRD #2233649](#), Bellevue, Washington) was named a respondent in a FINRA complaint alleging that while suspended in all capacities, Saint Clair continued to help his member firm conduct a securities business. The complaint alleges that Saint Clair helped to prepare offering documentation for a real estate fund and helped plan for the marketing and distribution of that fund. FINRA later revoked Saint Clair's registration. ([FINRA Case #2012034345101](#))

Scott Spiering ([CRD #1828899](#), Carlsbad, California) was named a respondent in a FINRA complaint alleging that he authorized his administrative staff to affix his signature to his member firm's documents and to cause such documents to become firm business records as if his signatures were genuine. The complaint alleges that none of the documents bore any notation indicating that Spiering's name had been signed by someone other than Spiering himself. By authorizing his subordinates to affix his signature to these documents, Spiering caused the creation of falsified business records. Spiering never informed the compliance department at his firm that he had authorized the firm's administrative staff to affix his signature to firm business records. Certain of these documents were provided to the firm's CCO for signature to evidence principal acceptance and approval of accounts and transactions. The CCO signed these documents without knowledge that Spiering's

signature was not genuine and, thereafter, the documents were maintained as firm business records. As a result of this conduct, Spiering caused his firm to maintain inaccurate books and records. ([FINRA Case #2012030557901](#))

Jeffrey Alan Stewart ([CRD #4178470](#), Iowa City, Iowa) was named a respondent in a FINRA complaint alleging that he converted \$54,000 from two customers, a married couple, of his member firm. The complaint alleges that Stewart caused two checks to be issued from the customers' account, without their knowledge or authorization, and then caused one of the customers to endorse each check, which were provided to Stewart to redeposit into the customers' securities account. Instead of returning the funds, Stewart altered or caused the checks to be altered and payable to his wife, who then cashed the checks. The complaint also alleges that Stewart falsely represented that he was one of the customers during telephone conversations with representatives of his former member firm. During each call, Stewart identified himself as one of the customers and used that customer's personal information to impersonate the customer. The complaint further alleges that Stewart failed to provide all requested written statements, information and financial records in connection with FINRA's investigation. Stewart also failed to appear and provide testimony requested by FINRA. ([FINRA Case #2012035316101](#))

Nicholas Paul Vargas ([CRD #4317358](#), San Francisco, California) was named a respondent in a FINRA complaint alleging that he converted approximately \$49,390 from his member firm's bank affiliate without authorization. The complaint alleges that on numerous occasions, Vargas issued a check drawn on one account (the issuing account) and deposited it into one of his other two accounts (the receiving account). At the time he issued each check, Vargas knew that the issuing account held insufficient funds to honor the check. Although the values of the checks were immediately credited to the receiving account upon deposit, they were not debited from the issuing account for a period of days. Vargas' scheme resulted in artificially inflated balances in the three accounts. He chose to take advantage of these artificially inflated balances by withdrawing money from automated teller machines, using debit cards for point-of-sale purchases and electronically transferring funds to various vendors. Vargas never deposited sufficient funds into the accounts to cover the checks and withdrawals. The complaint also alleges that Vargas failed to respond to FINRA requests for information and documents in connection with an investigation into his fund conversion. ([FINRA Case #2012034946901](#))

Jeffrey Wayne Weaver ([CRD #5755974](#), Palos Hills, Illinois) was named a respondent in a FINRA complaint alleging that he engaged in check kiting by writing three personal checks to himself from his checking account, in the total amount of \$3,300, when he knew that there were insufficient funds to cover those checks. The complaint alleges that Weaver has admitted in writing to his former member firm that he knew he had insufficient funds in the checking account to cover those checks at the time he wrote them. Weaver later affirmed this admission in writing to FINRA as well. The complaint also alleges that Weaver failed to respond to multiple requests for information and documents from FINRA in connection with its investigation into his activities. ([FINRA Case #2012035107701](#))

WM. H. Murphy & Co., Inc. ([CRD #27274](#), Houston, Texas) and William Herbert Murphy ([CRD #343492](#), Houston, Texas) were named respondents in a FINRA complaint alleging that the firm participated in the sale of private placements that purportedly were being sold pursuant to the registration exemption provided by SEC Rule 506 of Regulation D. Thus, these offerings could not be sold through general solicitations and general advertisements. The firm used radio shows and workshops to obtain new customers to whom the firm sold private placements. The complaint alleges that the firm's use of the radio shows and workshops violated the general solicitation prohibition. In addition, the firm's sales of open private placements to new customers generated from the radio shows and workshops with whom the firm did not have a preexisting relationship also violated the general solicitation prohibition. As a result, the private placement offerings failed to comply with all of the conditions of the registration exemption and lost the Rule 506 exemption, causing the firm to engage in unregistered sales of \$1,031,700 in securities to customers. The complaint also alleges that the firm, through Murphy, its president and CCO, failed to establish and maintain a supervisory system, including WSPs, reasonably designed to ensure compliance with Section 5 of the Securities Act of 1933. The firm, through Murphy, did not have adequate procedures to prevent the sale of unregistered and non-exempt securities. Murphy had sole responsibility for the adequacy of the firm's supervisory procedures, as well as the content of its WSPs. ([FINRA Case #2012030731802](#))

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

Capital Path Securities, LLC (CRD #104363)
 Middle Island, New York
 (November 20, 2014)
 FINRA Case #2011025869201

Firms Cancelled for Failure to Pay Outstanding Fees Pursuant to FINRA Rule 9553

Agincourt, LTD (CRD #36661)
 Pembroke, Bermuda
 (November 13, 2014)

BOM Capital, LLC dba Banc of Manhattan Capital (CRD #149880)
 Woodland Hills, California
 (November 13, 2014)

Seton Securities Group, Inc. (CRD #18044)
 New York, New York
 (November 20, 2014)

Tejas Securities Group, Inc. (CRD #36705)
 Austin, Texas
 (November 20, 2014)

Firms Suspended for Failure to Pay Annual Assessment Fees 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.)

AX Trading, LLC (CRD #154702)
 Stamford, Connecticut
 (November 28, 2014)

CA Funds Group, Inc. (CRD #151193)
 Glen Ellyn, Illinois
 (November 28, 2014)

First Commonwealth Securities Corporation (CRD #20854)
 Atlanta, Georgia
 (November 12, 2014 – November 24, 2014)

Mosaic Capital Securities, LLC (CRD #106637)
 Sherman Oaks, California
 (November 3, 2014)

Newcomb & Company, Inc. (CRD #16851)
 Hampton Falls, New Hampshire
 (November 12, 2014)

The Transportation Group (Securities) Limited (CRD #24329)
 New York, New York
 (November 12, 2014 – December 19, 2014)

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.)

Emily Maureen Allred (CRD #5408119)
Clinton, Utah
(November 18, 2014)
FINRA Case #2014040575501

Oikam Corina Chan (CRD #5304574)
Elmhurst, New York
(November 25, 2014)
FINRA Case #2014041201901

Jenna Lynn Connett (CRD #4927980)
North Middletown, New Jersey
(November 21, 2014)
FINRA Case #2014041817901

Colin Oleyvare Dacres (CRD #4105689)
Newburgh, New York
(November 3, 2014)
FINRA Case #2014040929801

Karl Robert Dierman (CRD #4588870)
Columbus, Nebraska
(November 18, 2014)
FINRA Case #2014040915901

Luis Espinoza (CRD #6179627)
Santa Ana, California
(November 24, 2014)
FINRA Case #2013037117601

Charles Damien Johnson (CRD #2695637)
Huntington Station, New York
(November 10, 2014)
FINRA Case #2012035315401

Lori Ann Monte (CRD #1293974)
Brick, New Jersey
(November 17, 2014)
FINRA Case #2013038062601

Andrew James Preston (CRD #1742510)
Floral Park, New York
(November 3, 2014)
FINRA Case #2014040869501

Kamil Z. Rak (CRD #5968494)
Chicago, Illinois
(November 18, 2014)
FINRA Case #2014041136201

Carlos Ratliff (CRD #5815860)
Bossier City, Louisiana
(November 3, 2014)
FINRA Case #2014040444701

Derrick Andrew Rea (CRD #5964508)
Andover, Minnesota
(November 3, 2014)
FINRA Case #2014041195501

German Francisco Rivero-Zerpa (CRD #2807003)
New York, New York
(November 12, 2014)
FINRA Case #2014040334501

Michael Okechi Romeo (CRD #5957692)
Brooklyn, New York
(November 10, 2014)
FINRA Case #2014041407401

Dalyne Leader Shinneman (CRD #1945752)
Burr Ridge, Illinois
(November 3, 2014)
FINRA Case #2013038743601

Edward Robert Sitton (CRD #1236373)
Chandler, Arizona
(November 14, 2014)
FINRA Cases #2013037762701/FPI140009

Darrell Duane Smith (CRD #1685641)
Forest City, Iowa
(November 24, 2014)
FINRA Cases #2012031921701/FPI140010

Kathy Jo Springer-Hesman (CRD #1348104)
 Fremont, Nebraska
 (November 17, 2014)
 FINRA Case #2014041827101

Andrius Salskis (CRD #4015111)
 Keshena, Wisconsin
 (November 3, 2014)
 FINRA Case #2014040812301

Tony Edward Tucker Jr. (CRD #1194084)
 Tulsa, Oklahoma
 (November 17, 2014)
 FINRA Case #2014040648201

Jamie Lynn Wilson (CRD #4505945)
 Ashville, Ohio
 (November 3, 2014)
 FINRA Case #2014040692901

Cynthia Lee Wooten (CRD #5917973)
 Riverview, Florida
 (November 3, 2014)
 FINRA Case #2014040464201

Individuals 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)
 Key Biscayne, Florida
 (November 22, 2014)
 FINRA Case #2010020937902

William John Davis (CRD #1247007)
 Rocky Point, New York
 (November 20, 2014)
 FINRA Case #2011025869201

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.)

Enver Rahman Alijaj (CRD #4943780)
 New York, New York
 (November 10, 2014)
 FINRA Case #2013037456101

DeOne Boyd (CRD #4952684)
 Slidell, Louisiana
 (November 28, 2014)
 FINRA Case #2014042499001

Glenn Howard Boyd (CRD #2008926)
 Slidell, Louisiana
 (November 28, 2014)
 FINRA Case #2014042457601

Benjamin Robert Byruch (CRD #5872061)
 New York, New York
 (November 17, 2014)
 FINRA Case #2014039797801

Joanie C. Creager (CRD #4893191)
 Austin, Texas
 (November 24, 2014)
 FINRA Case #2013038136801

Pedro Dones Molina (CRD #4119292)
 Cabo Rojo, Puerto Rico
 (November 21, 2014)
 FINRA Case #2014040284701

Douglas Benjamin Gregg (CRD #4646585)
 Franklin, Tennessee
 (November 17, 2014)
 FINRA Case #2014041105101

Jesse Joseph Holovacko (CRD #5112298)
South Amboy, New Jersey
(November 7, 2014)
FINRA Case #2014042692001

Augustine Ogheneochuko Olobia (CRD #2999141)
Renton, Washington
(November 17, 2014)
FINRA Case #2014042227401

Engjell Pasha (CRD #4991156)
Largo, Florida
(November 20, 2014)
FINRA Case #2013036025101

Kenneth Lee Severinsen (CRD #3062946)
Seaford, New York
(November 10, 2014)
FINRA Case #2014039886301

Wesley Clint Smith (CRD #5461423)
Nederland, Texas
(November 28, 2014)
FINRA Case #2014042505401

Gary Clark Steciuk (CRD #2880729)
Buffalo Grove, Illinois
(November 20, 2014)
FINRA Case #2014042259301

James Arthur Young III. (CRD #4205459)
Pensacola, Florida
(November 24, 2014)
FINRA Case #2014042015901

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

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

Barry Lee Axler (CRD #9193)
Boca Raton, Florida
(November 20, 2014)
FINRA Arbitration Case #12-02881

Nicholas P. Bentivegna (CRD #4636923)
Farmingdale, New York
(November 11, 2014)
FINRA Arbitration Case #11-02517

Christopher Bradford Birli (CRD #4366441)
Buffalo, New York
(November 20, 2014)
FINRA Arbitration Case #13-00441

Brian Matt Borakowski (CRD #4093679)
Scottsdale, Arizona
(November 10, 2014)
FINRA Arbitration Case #12-03293

Linford Antonio Brown Jr. (CRD #2456328)
Valley Stream, New York
(November 20, 2014)
FINRA Arbitration Case #12-03591

Jose A. Carbajal (CRD #2691767)
Downey, California
(November 12, 2014)
FINRA Arbitration Case #13-02392

John Paul Cech (CRD #2178582)
Denver, Colorado
(November 20, 2014)
FINRA Arbitration Case #13-02986

Patrick Walter Chapin (CRD #2149171)
 East Amherst, New York
 (November 20, 2014)
 FINRA Arbitration Case #13-00441

Matthew Thomas Critelli (CRD #5650350)
 Danbury, Connecticut
 (November 10, 2014)
 FINRA Arbitration Case #13-02032

Winston Henry De Feria (CRD #3266258)
 Coto Laurel, Ponce, Puerto Rico
 (November 20, 2014)
 FINRA Arbitration Case #11-00824

Amelie S. Escher (CRD #5221430)
 Princeton, New Jersey
 (June 28, 2011 - November 17, 2014)
 FINRA Arbitration Case #10-00833

Brad Scott Feinstein (CRD #1983465)
 New York, New York
 (November 12, 2014)
 FINRA Arbitration Case #10-03469

Anthony John Fisher (CRD #2428633)
 Boca Raton, Florida
 (November 20, 2014)
 FINRA Arbitration Case #13-02829

Thomas A. Fletcher (CRD #4478769)
 Pennsauken, New Jersey
 (November 14, 2014)
 FINRA Arbitration Case #13-03024

Federico Rafael Hernandez (CRD #4992161)
 Dorado, Puerto Rico
 (November 7, 2014)
 FINRA Cases #20140427002/ARB140061

Hugh Robert Hunsinger Jr. (CRD #2179745)
 Pinebrook, New Jersey
 (November 20, 2014)
 FINRA Arbitration Case #11-04658

Robert Joseph Jakubiak (CRD #2297081)
 Oak Creek, Wisconsin
 (November 10, 2014)
 FINRA Arbitration Case #13-03086

James John Konaxis (CRD #1664406)
 Beverly, Massachusetts
 (November 25, 2014)
 FINRA Arbitration Case #12-01517

Thomas Glavin Labeau (CRD #1024145)
 Canton, Michigan
 (November 25, 2014)
 FINRA Arbitration Case #13-02338

Britt Michael Lachemann (CRD #4375135)
 Anthem, Arizona
 (November 20, 2014)
 FINRA Arbitration Case #13-02440

Wade James Lawrence (CRD #4512225)
 Austin, Texas
 (November 12, 2014)
 FINRA Arbitration Case #12-01445

Robert John Matarazzo Jr. (CRD #3242484)
 Brooksville, Florida
 (November 12, 2014)
 FINRA Arbitration Case #13-03247

Macario Benjunem Montoya (CRD #4361687)
 San Francisco, California
 (November 12, 2014)
 FINRA Arbitration Case #10-04415

Jaime Morales (CRD #1872848)
 Castle Hills, Texas
 (November 14, 2014 – December 8, 2014)
 FINRA Arbitration Case #13-01372

Cornelia S. O'Grady (CRD #4621507)
 Lawrenceville, New Jersey
 (November 14, 2014)
 FINRA Arbitration Case #14-00024

Matthew John Ortman (CRD #2734101)

Jacksonville, Florida
(November 14, 2014)
FINRA Arbitration Case #13-03776

Anthony Ottimo Sr. (CRD #2974369)

Plainview, New York
(November 11, 2014)
FINRA Arbitration Case #11-02517

Nicholas Vito Ragone (CRD #1490383)

Melville, New York
(November 14, 2014)
FINRA Arbitration Case #13-01217

Yaron Reuven (CRD #4191455)

New York, New York
(November 20, 2014)
FINRA Arbitration Case #12-04223

Clifford Alan Schwartz (CRD #2173244)

West Palm Beach, Florida
(November 7, 2014 – December 8, 2014)
FINRA Cases #20140416485/
ARB140033/20140423230/ARB140053

Patrick Joseph Sullivan (CRD #5796812)

Loveland, Ohio
(November 10, 2014)
FINRA Arbitration Case #13-03660

Darren Neal Warden (CRD #4140379)

Carlyle, Illinois
(November 12, 2014)
FINRA Arbitration Case #13-00170

David Allen Williams (CRD #4350295)

Studio City, California
(November 14, 2014)
FINRA Arbitration Case #13-01429

Louis Albert Wright (CRD #4053503)

Plymouth, Michigan
(November 25, 2014)
FINRA Arbitration Case #13-02338

FINRA Fines Citigroup Global Markets Inc. \$15 Million for Supervisory Failures Related to Equity Research and Involvement in IPO Roadshows

The Financial Industry Regulatory Authority (FINRA) fined [Citigroup Global Markets](#), Inc. \$15 million for failing to adequately supervise communications between its equity research analysts and its clients and Citigroup sales and trading staff, and for permitting one of its analysts to participate indirectly in two road shows promoting IPOs to investors.

FINRA found that from January 2005 to February 2014, Citigroup failed to meet its supervisory obligations regarding the potential selective dissemination of non-public research to clients and sales and trading staff. During this period, Citigroup issued approximately 100 internal warnings concerning communications by equity research analysts. However, when Citigroup detected violations involving selective dissemination and client communications, there were lengthy delays before the firm disciplined the research analysts and the disciplinary measures lacked the severity necessary to deter repeat violations of Citigroup policies.

One example of Citigroup's failure to supervise certain communications by its equity research analysts involved "idea dinners" hosted by Citigroup equity research analysts that were also attended by some of Citigroup's institutional clients and sales and trading personnel. At these dinners, Citigroup research analysts discussed stock picks, which, in some instances, were inconsistent with the analysts' published research. Despite the risk of improper communications at these events, Citigroup did not adequately monitor analyst communications or provide analysts with adequate guidance concerning the boundaries of permissible communications. In another example, FINRA found that an analyst employed by a Citigroup affiliate in Taiwan selectively disseminated research information concerning Apple Inc. to certain clients, which was then selectively disseminated to additional clients by a Citigroup equity sales employee.

Brad Bennett, FINRA Executive Vice President and Chief of Enforcement, said, "The frequent interactions between Citigroup analysts and clients at events like 'idea dinners' created a heightened risk that views inconsistent with research would selectively be disclosed to clients. Citigroup failed to effectively police these risks."

Cameron Funkhouser, Executive Vice President of FINRA's Office of Fraud Detection and Market Intelligence, said, "In this case, Citigroup did not enforce the boundaries of permissible communications to ensure that its analysts did not provide certain clients with improper access to non-public research information. Investment banking and research departments are guardians of material, non-public information and have the responsibility to maintain strict control and protection of that information."

Moreover, FINRA found that, in 2011, a Citigroup senior equity research analyst assisted two companies in preparing presentations for investment banking road shows. Between 2011 and 2013, Citigroup did not expressly prohibit equity research analysts from assisting issuers in the preparation of road show presentation materials.

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

FINRA's investigation was conducted by the Department of Enforcement and the Office of Fraud Detection and Market Intelligence.