

Disciplinary and Other FINRA Actions

Firm Expelled, Individuals Sanctioned

Cantone Research Inc. ([CRD #26314](#), Eatontown, New Jersey), Anthony Joseph Cantone ([CRD #1066139](#), Thompson, Pennsylvania), Raymond John DeRobbio ([CRD #1092310](#), Atlantic Highlands, New Jersey)

March 11, 2024 – An Office of Hearing Officers (OHO) decision became final in which the firm was expelled from FINRA membership and Cantone and DeRobbio were both barred from associating in with any FINRA member firm in any capacity. Respondents were also ordered to pay \$4,777,425.69, plus interest, jointly and severally, in restitution to customers. Each individual respondent is jointly and severally responsible with the firm for restitution to that individual respondent’s customers. The firm is responsible for restitution to all customers who bought the bonds from any representative of the firm. The sanctions were based on the findings that the firm, Anthony Cantone, and DeRobbio, willfully violated Municipal Securities Rulemaking Board (MSRB) Rule G-19 by selling municipal bonds without a reasonable basis to believe them suitable for any investor because they conducted inadequate due diligence. The findings stated that the firm was the sole underwriter for two offerings. In total, it sold \$2.2 million in one offering and a little over \$6 million in the other offering. The firm, Anthony Cantone, and DeRobbio, knew that an underwriting firm had withdrawn from underwriting the first offering, even though it had conducted months of due diligence, created a bond model, and worked on a draft of a Preliminary Official Statement. The firm, Anthony Cantone, and DeRobbio, also knew prior to the closing of the offering that the previous firm would not be identified in the offering documents as having worked on the transaction and would not receive any compensation for its work, a highly unusual event. However, the firm, Anthony Cantone, and DeRobbio, did not probe the reason the other firm withdrew or treat that firm’s decision to withdraw as a red flag requiring special attention to due diligence on the offering, but instead treated that firm’s abandoned work as sufficient basis for going forward with the offering on an accelerated basis without conducting any meaningful due diligence of their own. The findings also stated that the firm, Anthony Cantone, and DeRobbio, willfully violated MSRB Rule G-17 and Rules 17(a)(2) and 17(a)(3) of the Securities Act of 1933 by selling the bonds using negligent misrepresentations and omissions of material fact and willfully violated MSRB Rule G-17 by failing to disclose at or prior to the time of trade all material information about the transaction. The first offering was for the purpose of refinancing and rehabilitating a run-down community college dormitory. In final financial projections for the dormitory project, the firm, Anthony Cantone, and DeRobbio, overstated the revenues the dormitory could generate by using projected revenues based on an

Reported for May 2024

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

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occupancy rate the dormitory historically never achieved, and was unlikely to achieve in the future. In addition, the firm, Anthony Cantone, and DeRobbio understated management fees to be charged, which had the effect of lowering expenses and making the project appear more profitable and less risky than it was, and also misleadingly suggested that new management would operate the project and generate revenues needed to pay bondholders without disclosing it was the same company that had previously managed it before it filed for bankruptcy. The findings also stated that the firm, Anthony Cantone, and DeRobbio, sold other municipal bonds by means of fraudulent misrepresentations and omissions of material fact, in willful violation of MSRB Rule G-17 and Section 17(a)(1) of the Securities Act, and without disclosing at or prior to the time of trade all material information about the transaction, in willful violation of MSRB Rules G-17 and G-47. The second offering was for the purpose of acquiring, rehabilitating, and operating a defunct assisted-living facility. The firm, Anthony Cantone, and DeRobbio, fraudulently and deceptively presented false information about the past financial performance of the assisted-living facility and either knew or were reckless in not knowing that the description of the facility's profitability was false and it would encourage investors to incorrectly believe the bonds were a sound investment. The misrepresentation of the facility's financial history was deceptive and unfair to investors. The firm, Anthony Cantone, and DeRobbio, fraudulently and deceptively misled investors when they described the intended uses of the proceeds of the second offering. Specifically, the firm, Anthony Cantone, and DeRobbio, failed to disclose that some of the proceeds of the bond offering were to be paid to the investors in two earlier failed offerings and Anthony Cantone was to receive some of the proceeds of the offering for the purpose of repaying him for money he had loaned to cover the shortfall in revenues to pay earlier investors in other offerings. FINRA found that the firm, Cantone, and DeRobbio, willfully violated MSRB Rules G-17 and G-47 when they failed to disclose material facts before or at the time of sale when selling bonds in the assisted-living facility, both in the initial offering and in secondary market transactions. ([FINRA Case #2017055886402](#))

Firms Fined

Walton RE Securities, LLC fka GRT Securities, LLC and Ei Capital Distributors, LLC ([CRD #172024](#), Scottsdale, Arizona)

March 4, 2024 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured and fined \$10,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it conducted a securities business by soliciting private placement sales while below its net capital requirement. The findings stated that one of the deficiencies was due to the firm failing to accrue expenses related to its previous year's annual audit.

The firm was under different ownership at the time and was in the process of being acquired. After the acquisition, the firm again conducted a securities business while failing to maintain its minimum net capital requirement resulting in a net capital deficiency. Both deficiencies were due to the failure of the firm to ensure that capital infusions were timely deposited into its account. In addition, the firm failed to properly accrue liabilities from an expense sharing agreement (ESA) with its parent company. Initially the firm did not accrue any liabilities under the ESA, and it understated its liabilities under it for two months. The findings also stated that the firm failed to file required Securities Exchange Act of 1934 Rule 17a-11 notifications. The firm's minimum net capital was below its minimum requirement, yet it did not file a notice with FINRA or the Securities and Exchange Commission (SEC). The findings also included that the firm failed to make and keep accurate books and records. The firm failed to prepare and maintain financial books and records reflecting an accurate computation of its aggregate indebtedness. The firm maintained an inaccurate general ledger and failed to prepare accurate net capital computations. The firm also submitted an inaccurate Financial and Operational Combined Uniform Single (FOCUS) report due to its failure to properly accrue expenses related to its ESA. ([FINRA Case #2021071586901](#))

NewEdge Securities, Inc. fka Mid Atlantic Capital Corporation ([CRD #10674](#), Pittsburgh, Pennsylvania)

March 7, 2024 – An AWC was issued in which the firm was censured, fined \$90,000, and is ordered to pay \$44,927.83, plus interest, in restitution to customers. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it charged unfair prices in corporate and municipal bond transactions. The findings stated that in these transactions where the firm's costs or proceeds were no longer contemporaneous, it failed to consider the appropriate pricing information to determine the prevailing market price. In most of these transactions, the firm used inter-dealer bid or offer quotations to determine the prevailing market price when a contemporaneous inter-dealer transaction price was available. By failing to correctly assess the prevailing market price in the bond transactions, the firm caused its customers to pay more than they should have or receive less than they should have in transactions with the firm. This caused customer harm in the amount of \$44,927.83. The findings also stated that the firm failed to establish and maintain a supervisory system, including written supervisory procedures (WSPs), reasonably designed to achieve compliance with its fair pricing obligations. The firm's clearing firm offered a platform with the ability to automatically calculate the prevailing market price and the firm's WSPs stated that representatives who wished to trade outside that platform would be responsible for determining the method and calculation of the prevailing market price applied to the trade. Consequently, a branch office of the firm traded outside the platform offered by the clearing firm. A firm compliance principal tasked with reviewing that branch's

prevailing market price calculations reviewed a daily blotter to assess transactions for fair pricing, however, the blotter did not include sufficient information to review the prevailing market price calculation. The firm compliance principal did not routinely review the prevailing market price calculation beyond checking for clerical errors. Subsequently, the firm implemented a new firm-wide system to address prevailing market price calculations. ([FINRA Case #2021070609301](#))

GTS Securities LLC ([CRD #149224](#), New York, New York)

March 13, 2024 – An AWC was issued in which the firm was censured, fined a total of \$100,000, of which \$50,000 is payable to FINRA, and required to certify that it has remediated the issues identified in the AWC and implemented a supervisory system, including WSPs and a documented system of risk management controls. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it routed erroneous orders to the market that were generated through the firm's trading engine by some of the firm's trading algorithms. The findings stated that the firm deployed a technology change to its trading engine that resulted in its outgoing orders for the algorithms not containing a market maker peg order (MMPO) instruction. The orders triggered the firm's price band risk control, that, in turn, triggered internal rejection alerts and prevented the orders from being sent to the market. However, the firm manually disabled the control for the algorithms to allow the orders to be sent to the market, based on a failure to detect the impact of the technology change on its MMPOs and a mistaken conclusion that the price band risk control was malfunctioning. Of the 635 erroneous orders, 348 received partial or full execution for a total notional value of over \$1.5 million. In addition, 33 trades were busted, including seven by NASDAQ. The remaining erroneous orders were not executed because the firm detected that they were erroneous after routing them and halted them. The findings also stated that the firm failed to establish, document, and maintain reasonable risk management controls and procedures to prevent the entry of erroneous orders. The firm's price band risk control was not reasonably designed to prevent the entry of erroneous orders with respect to standard limit orders generated by the trading algorithms relevant to the erroneous orders and certain additional trading algorithms routing to the NASDAQ exchanges. The price band risk control parameter set by the firm was not reasonably designed to prevent the entry of erroneous orders because it was substantially higher than the parameters maintained by the national securities exchanges to review for clearly erroneous transactions, and the firm did not provide a reasonable rationale supporting the firm's threshold. Further, until later when it enhanced its procedures, the firm had no written policies, procedures, or controls regarding the process and criteria for overriding or disabling a market access risk control, including the circumstances under which firm personnel could disable the firm's price controls. ([FINRA Case #2019064352201](#))

Osaic Wealth, Inc. fka Royal Alliance Associates, Inc. (CRD #23131, Jersey City, New Jersey) and Securities America, Inc. (CRD #10205, La Vista, Nebraska)
March 14, 2024 – An AWC was issued in which the Osaic Wealth was censured and fined \$150,000 and Securities America was censured and fined \$150,000. Without admitting or denying the findings, the firms consented to the sanctions and to the entry of findings that they failed to establish and maintain a supervisory system, including WSPs, reasonably designed to safeguard customer records and information in violation of Rule 30(a) of Regulation S-P of the Exchange Act (the “Safeguards Rule”). The findings stated that between January 2021 and March 2023, the firms relied on an enterprise level cybersecurity program provided by their corporate parent. However, prior to March 2023, each firm’s WSPs permitted independent branch offices to develop their own security and data loss prevention controls. Until March 2023, neither firm required data loss prevention controls such as multi-factor authentication for all email accounts, encryption for outbound emails with customers’ non-public personal information, and maintenance of email access logs. Both firms were on notice from FINRA examinations that they lacked reasonable cybersecurity controls at branch offices. In addition, each firm experienced numerous cyber intrusions, many of which involved email takeovers that could have been prevented by, for example, multi-factor authentication. The intrusions allowed unauthorized third parties to gain access to customers’ non-public personal information including, among other things, social security number, dates of birth, bank account numbers, and drivers’ license information. Following each of the intrusions, the firms followed their cybersecurity incident response policies, engaged outside cybersecurity consultants to assist with incident responses, and notified affected customers as well as FINRA. However, until March 2023, neither firm enhanced their minimum cybersecurity requirements for branch offices, nor did individual branch offices at either firm enhance their controls. The firms now require multi-factor authentication on all email accounts used to conduct firm business and oversight procedures for supervising adherence to the multi-factor authentication policy. ([FINRA Case #2021071722201](#))

Stifel, Nicolaus & Company, Incorporated (CRD #793, St. Louis, Missouri)
March 15, 2024 – An AWC was issued in which the firm was censured, fined \$400,000, and ordered to pay \$59,360.43, plus interest, in restitution to customers. The customers receiving restitution are those that have not previously settled or been made whole by the firm. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish a supervisory system reasonably designed to review and monitor the transmittal of customer funds when a registered representative had power of attorney authority (POA) over a customer’s account and failed to reasonably follow-up on red flags of potential misconduct by a representative of the firm. The findings stated that the representative was the POA on the brokerage account of a senior customer,

which provided him the authority to write checks on the customer's behalf. The representative converted at least \$105,000 from the customer by writing checks on her account that he made payable to himself or to a bank account that he controlled. Subsequently, the firm fully reimbursed the customer's estate for the representative's misconduct. The findings also stated that the firm failed to reasonably follow-up on red flags of unsuitable trading in options and a high-risk microcap security by a different representative. The representative recommended speculative options trades in one of the brokerage accounts of the customer, who was a 64-year-old retired schoolteacher with no options experience or knowledge. The representative's trading caused the account to lose nearly 80 percent of its funds. The firm was aware of the volume of options trading and discussed the trading in the account with the representative. However, despite the fact that the trading generated more than 10 alerts, the firm failed to reasonably investigate whether the trading was consistent with the customer's investment objectives and risk tolerance. Instead, the firm approved a change in the customer's investment objectives from growth and income to speculative/active trading/complex strategies based on the representative's statements and suppressed several subsequent options alerts involving the customer's account. An additional customer of the representative with no options experience was recommended call options that resulted in \$27,745.94 in losses. In addition, the firm failed to reasonably respond to red flags of the second representative's unsuitable recommendations of a high-risk microcap security. The representative recommended a stock to additional customers that had fallen substantially prior to the purchases due to, among other things, substantial doubts being raised in public reports about the company's ability to continue as a going concern. After excessive commission alerts were generated regarding some of the trades, the firm noted that representative was purchasing a collapsing equity and flagged this trading activity for further monitoring; yet the firm failed to take steps other than asking the representative about the customers' knowledge of and comfort with the purchases. The representative continued to recommend additional purchases of the stock as the price continued to fall and the customers had incurred realized losses of \$53,498.00 due to this trading. ([FINRA Case #2019062348302](#))

Tourmaline Partners, LLC ([CRD #154492](#), Stamford, Connecticut)

March 22, 2024 – An AWC was issued in which the firm was censured, fined \$75,000, and required to certify in writing that it has remediated the issues identified in this AWC and implemented a reasonable designed supervisory system, including WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to record accurate order receipt and transmission times on certain order memoranda. The findings stated that during one period of time, the firm listed inaccurate order receipt and/or transmission times on 30 percent of the order memoranda for customers' option orders. The findings also

stated that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to supervise the accuracy of order times on its order memoranda. The firm's WSPs did not require any supervisory review of the accuracy of order memoranda, including order receipt and order transmission times, and did not conduct any review to supervise the accuracy of order memoranda.

[\(FINRA Case #2021069333101\)](#)

Stifel Independent Advisors, LLC fka Century Securities Associates, Inc. (CRD #28218, St. Louis, Missouri) and Stifel, Nicolaus & Company, Incorporated (CRD #793, St. Louis, Missouri)

March 25, 2024 - An AWC was issued in which Stifel Independent Advisors, LLC was censured, fined \$80,000, and ordered to pay \$100,095.63, plus interest, in restitution to customers. Stifel, Nicolaus & Company, Incorporated was censured, fined \$920,000, and ordered to pay \$1,189,841.54, plus interest, in restitution to customers. Without admitting or denying the findings, the firms consented to the sanctions and to the entry of findings that they failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with their suitability obligations in connection with non-traditional exchange-traded funds and other non-traditional exchange-traded products (NT-ETPs). The findings stated that although the firms revised their WSPs following a previously issued AWC, the WSPs still failed to provide reasonable guidance about how to identify and address potentially unsuitable NT-ETP recommendations. The WSPs did not require supervisors to take any action to assess whether NT-ETP recommendations, including recommended exit or hold strategies, were consistent with the intended holding periods identified in the products' prospectuses. In addition, the firms' system for identifying and addressing potentially unsuitable NT-ETP recommendations was not reasonably designed. In response to the previous AWC, the firms implemented a new automated alert that was designed to flag for supervisory review all NT-ETP positions that had been held for longer than 30 days. However, the firms almost immediately deactivated the alert after it resulted in over 2,000 hits per day. Even after the firms reactivated the alert, supervisors had broad discretion to resolve the alerts, but the firms did not provide supervisors with any training on how to evaluate the red flags presented by the long holding periods. As a result, supervisors routinely cleared the 30-day holding-period alerts without any analysis of the suitability of the underlying NT-ETP recommendations that led to the alerts. Further, in response to discovering that firm representatives were routinely recommending long-term holding periods for NT-ETPs, the firms' instituted a clean-up effort that involved tracking NT-ETP positions held for more than 30 calendar days and encouraging, but not requiring, supervisors to speak with representatives and customers about selling aged positions. However, the clean-up was not sufficient in certain instances to prevent representatives from continuing to recommend a strategy of buying and then holding these products for periods well

beyond the periods identified in the products' prospectuses. As a result of these supervisory failures, the firms failed to detect or address hundreds of occasions in which the firms' representatives recommended that customers buy and then hold NT-ETPs for potentially unsuitable periods. Some of the affected customers were seniors, and many had conservative investment objectives or moderate risk tolerances. In total, the firms' representatives recommended at least 438 daily-reset NT-ETP positions that were held for more than seven days, and 45 monthly reset NT-ETPs that were held for more than 60 days. Collectively, these transactions resulted in realized customer losses of \$1,289,937.17. ([FINRA Case #2019061350401](#))

Palladium Capital Group, LLC ([CRD #129400](#), Venice, Florida)

March 26, 2024 – An AWC was issued in which the firm was censured, fined \$75,000, and is required to certify in writing that it has remediated the issues identified in this AWC and implemented a reasonably designed supervisory system, including WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to develop and implement an Anti-Money Laundering (AML) compliance program reasonably designed to achieve compliance with the requirements of the Bank Secrecy Act (BSA) and its implementing regulations. The findings stated that the firm failed to establish and implement policies and procedures that could be reasonably expected to detect and cause the reporting of suspicious transactions and failed to take reasonable steps to detect and investigate red flags. The firm routinely learned about red flags regarding issuers and investors relevant to the offerings in which it was involved and failed to take reasonable steps to investigate or consider whether to report that potentially suspicious activity. The firm did not consider that the issuers or investors might not have a legitimate business or lawful purpose to participate in the offerings. In addition, the firm failed to take reasonable steps to detect and investigate suspicious trading patterns in issuers' stock suggesting potential stock manipulation. The firm also failed to conduct an adequate independent test of its AML compliance program. The findings also stated that the firm's supervisory system, including WSPs, was not reasonably designed to achieve compliance with FINRA Rule 2111, including its due diligence on private placements. The firm's due diligence regarding issuers was unreasonably narrow and its background searches often omitted key management of the issuers and involved narrow search terms not reasonably designed to capture material information. Furthermore, the firm failed to consistently document the process and results of its due diligence. Accordingly, a principal of the firm could not reasonably assess whether sufficient due diligence had been performed to ensure that the offerings were suitable for its customers. ([FINRA Case #2019064878901](#))

Coughlin & Company, Inc. ([CRD #185](#), Denver, Colorado)

March 28, 2024 – An AWC was issued in which the firm was censured, fined \$40,000 and required to certify in writing that the firm has remediated the issues identified in this AWC and implemented a reasonably designed supervisory system, including WSPs. Without admitting or denying the findings, the firm consented to the sanctions

and to the entry of findings that its supervisory system, including WSPs, was not reasonably designed to achieve compliance with applicable securities laws and FINRA rules pertaining to contingency offerings. The findings stated that although the firm's WSPs included the escrow requirement for contingency offerings, the firm had no procedures or system to establish escrow accounts or to determine when to release funds to the issuers. In addition, the firm had no procedures or system to detect whether the offering minimum had been met, or to address the firm's obligations if the minimum contingency is not met by the offering's termination date, the termination date is extended, or the minimum contingency is lowered. Moreover, the firm did not designate any principal with responsibility for supervising contingency offerings. The findings also stated that the firm did not establish an escrow or separate account for investor funds and transmitted investor funds directly to the issuer before the contingency was met. ([FINRA Case #2021071226601](#))

H2C Securities Inc. (CRD #7169, Atlanta, Georgia)

March 29, 2024 – An AWC was issued in which the firm was censured, fined \$250,000 and required to certify that it has remediated the issues identified in the AWC and implemented a reasonably designed supervisory system, including WSPs. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that its supervisory system, including WSPs, was not reasonably designed to achieve compliance with the firm's obligation to capture, retain, and review communications sent or received using electronic communication platforms. The findings stated that the firm failed to preserve and review over 1.25 million business-related electronic communications, including internal and external emails, instant messages, mass marketing materials, and documents requiring customers' electronic signatures. These communications were sent or received by associated persons of the firm using platforms that the firm made available to them. The firm's supervisory system failed to address the use of the platforms at issue or how the firm would capture, preserve, and review communications made through them. In addition, the firm did not conduct any reviews of its system to preserve electronic communications sent or received through the platforms. Ultimately, the firm discovered during a compliance review that it had not established data feeds from the platforms to the system that the firm used to store and maintain electronic communications. The firm discontinued its use of most of the communication platforms, and later established a data feed from the remaining platform to the firm's system for storing and maintaining electronic communications. The firm has since retrieved and reviewed some communications that its associated persons sent or received using the platforms, but the firm has been unable to recover most of the communications. The vast majority of the affected communications were mass marketing emails sent to large distribution lists. The firm preserved at least one copy of many of the mass marketing communications, but it did not preserve a copy of each message sent to each recipient. ([FINRA Case #2021070970501](#))

Individuals Barred

Reuben Lamont Brown ([CRD #7089559](#), Fort Worth, Texas)

March 4, 2024 – An AWC was issued in which Brown was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Brown consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA during the course of a matter originated from its review of a Uniform Termination Notice for Securities Industry Registration (Form U5) filed by his member firm that stated that Brown had been terminated by the firm for concerns that he had introduced clients to an investment outside the firm in violation of FINRA Rule 3280 and the firm's policies regarding private securities transactions and selling away. ([FINRA Case #2022076164001](#))

Marion Strickler Adams III ([CRD #1392435](#), Mobile, Alabama)

March 5, 2024 – An AWC was issued in which Adams was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Adams consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with a matter originated from its review of a Form U5 filed by his member firm that reported his resignation from it after receiving a complaint from the executor of an estate that he may have misappropriated estate assets while he acted as the estate's prior executor. ([FINRA Case #2021073056501](#))

John Sebastian Cangialosi ([CRD #3273830](#), Manalapan, New Jersey)

March 6, 2024 – An AWC was issued in which Cangialosi was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Cangialosi consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with its examination of his outside business activities (OBAs). ([FINRA Case #2022075928701](#))

Jayson Robert Pocius ([CRD #6018543](#), Las Vegas, Nevada)

March 8, 2024 – An AWC was issued in which Pocius was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Pocius consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with its investigation into the allegations in a Form U5 submitted by his member firm that disclosed that he had been discharged after he admitted during review that funds from a client account were used for his personal benefit. ([FINRA Case #2023078976601](#))

Matthew James Chimento (CRD #5749914, Atlanta, Georgia)

March 19, 2024 – An AWC was issued in which Chimento was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Chimento consented to the sanction and to the entry of findings that he failed to provide information and documents requested by FINRA in connection with its investigation into the allegations made in a Form U5 filed by his member firm stating that he had resigned voluntarily while under internal review for allegedly transferring funds out of a client's account into an account for his benefit without client authorization. ([FINRA Case #2023080682201](#))

Jae Hun Kim (CRD #4620963, Cortlandt Manor, New York)

March 19, 2024 – An AWC was issued in which Kim was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Kim consented to the sanction and to the entry of findings that he refused to provide information and documents requested by FINRA in connection with its investigation concerning the circumstances giving rise to a customer arbitration. ([FINRA Case #2021073232401](#))

Ravi D. Parmar (CRD #4466633, Marlboro, New Jersey)

March 20, 2024 – An AWC was issued in which Parmar was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Parmar consented to the sanction and to the entry of a finding that he refused to appear for on-the-record testimony requested by FINRA during the course of a matter that originated from a filing made by his member firm disclosing that he had been terminated for submitting altered expense reports. ([FINRA Case #2023078107201](#))

Juan Carlos Sosa (CRD #4059846, Northridge, California)

March 21, 2024 – An AWC was issued in which Sosa was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Sosa consented to the sanction and to the entry of findings that he converted over \$331,000 from an elderly customer for his personal use. The findings stated that Sosa opened a checking account on behalf of the customer in which he had authority to write checks and conduct other transactions. Thereafter, Sosa transferred over \$579,000 from customer's brokerage account at his member firm to the checking account. Sosa used the customer's checking account without permission to write over \$220,000 in checks to himself, which he then deposited into his personal bank account, and over \$111,000 in checks that he used to pay his personal credit card bill. ([FINRA Case #2022075400501](#))

Paul Francis Trimber ([CRD #2765260](#), Alexandria, Virginia)

March 22, 2024 – An AWC was issued in which Trimber was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Trimber consented to the sanction and to the entry of findings that he refused to provide documents and information requested by FINRA in connection with its investigation into whether he converted a senior customer's funds for his personal use and benefit. ([FINRA Case #2024081427901](#))

Mark W. Manning ([CRD #2599852](#), Salt Point, New York)

March 26, 2024 – An AWC was issued in which Manning was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Manning consented to the sanction and to the entry of findings that he refused to provide documents and information requested by FINRA in connection with its investigation into the allegations in a complaint made to FINRA and circumstances surrounding a Form U5 filed by his member firm. The findings stated that the Form U5 disclosed that the firm discharged Manning for accepting beneficiary and POA designations and acting as POA without its approval. ([FINRA Case #2023079710301](#))

Sidney Lebental ([CRD #5543658](#), New York, New York)

March 27, 2024 – An Order Accepting Offer of Settlement was issued in which Lebental was barred from association with any FINRA member in any capacity. Without admitting or denying the allegations, Lebental consented to the sanction and to the entry of findings that he employed a fraudulent or deceptive practice or scheme by engaging in spoofing, a type of fraudulent trading that involves the use of non-bona fide orders to induce executions of bona fide orders entered on the opposite side of the market in the same security or a correlated product. The findings stated that Lebental engaged in spoofing while trading as a market maker in U.S. Treasury Bonds and supervising the U.S. Treasury desk of his member firm. In each instance, Lebental entered a large, fully displayed non-bona fide order to purchase or sell the 30-year U.S. Treasury Bond. At the time he entered the non-bona fide order, Lebental already had a bona fide order on the opposite side of the market in either the 30-year U.S. Treasury Bond or the correlated Ultra Treasury Bond future. The non-bona fide order created a false appearance of market depth and activity so that Lebental's bona fide order would receive favorable executions at better prices. Specifically, market participants on the other side of the spread from his bona fide order responded by crossing the spread and executing at his price, or if the spread had moved as a result, Lebental sometimes got an even better price. In each of the instances, after receiving executions of his bona fide order, Lebental cancelled the non-bona fide order within three seconds of entry. In a majority of these instances, Lebental cancelled his non-bona fide order within one second of entry. The findings also stated that Lebental caused the publication of non-bona fide quotations by placing the non-bona fide securities orders into trading venues,

causing the venues to publish or circulate non-bona fide quotations. The findings also included that by placing and immediately cancelling large, fully displayed non-bona fide orders in the 30-year U.S. Treasury Bond, Lebental injected false information into the marketplace, which induced executions of his orders on the opposite side of the market in the 30-year U.S. Treasury Bond or correlated Ultra Treasury Bond future, and thereby acted in bad faith and unethically.
([FINRA Case #2019063152202](#))

Individuals Suspended

Douglas J. Bauerband ([CRD #2850269](#), Toms River, New Jersey)

March 4, 2024 – An AWC was issued in which Bauerband was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Bauerband consented to the sanctions and to the entry of findings that he engaged in an OBA without disclosing to, or receiving prior written approval from, his member firms. The findings stated that Bauerband assisted the executor of an estate with the settlement and distribution of the estate, for which he received \$18,000 in compensation. In addition, Bauerband completed a compliance questionnaire for one of the firms in which he inaccurately attested that he had disclosed all his OBAs.

The suspension was in effect from March 4, 2024, through April 3, 2024.

([FINRA Case #2023079298201](#))

Lawrence Richard Brockman ([CRD #1126810](#), Girard, Ohio)

March 4, 2024 – An AWC was issued in which Brockman was assessed a deferred fine of \$20,000 and suspended from association with any FINRA member in all capacities for 22 months. Without admitting or denying the findings, Brockman consented to the sanctions and to the entry of findings that he borrowed \$22,500 from one of his customers to pay for his personal expenses without providing prior notice to, or obtaining written pre-approval from, his member firm. The findings stated that Brockman concealed the loan from the firm by instructing the customer to send the loan proceeds to his wife's personal checking account. The loan was not memorialized in writing nor was a promissory note provided. Further, Brockman falsely attested that he had not received any loans from a customer on annual compliance questionnaires that he submitted to the firm. Brockman made two payments totaling \$2,076 toward the loan before the customer passed away. Brockman stopped making payments after the customer's death and refused to make any future payments to customer's estate. The firm first learned about the lending arrangement after being contacted by counsel for the customer's estate.

The suspension is in effect from March 4, 2024, through January 3, 2026.

([FINRA Case #2022076528901](#))

Joshua R. Cook ([CRD #4277525](#), Vernal, Utah)

March 4, 2024 – An AWC was issued in which Cook was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for 10 months. Without admitting or denying the findings, Cook consented to the sanctions and to the entry of findings that he electronically signed the names of customers, some of whom were seniors, on account documents without the customers' prior permission. The findings stated that the account documents, which included new account applications, money transfer forms, and Individual Retirement Account (IRA) contribution and distribution forms, were required books and records of his member firm. All of the transactions were authorized and none of the customers complained. As a result of his actions, Cook caused his firm to maintain inaccurate books and records. In addition, Cook falsely attested on annual compliance questionnaires that he had not signed or affixed another person's signature on a document.

The suspension is in effect from March 4, 2024, through January 3, 2025.
([FINRA Case #2022074655901](#))

Stephen Frank Grande ([CRD #2838265](#), North Massapequa, New York)

March 4, 2024 – An AWC was issued in which Grande was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Grande consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension was in effect from April 1, 2024, through April 30, 2024.
([FINRA Case #2023079740101](#))

Thomas Bradley Kintz ([CRD #2667817](#), Atlantis, Florida)

March 6, 2024 – An AWC was issued in which Kintz was fined \$7,500 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Kintz consented to the sanctions and to the entry of findings that he exercised discretion in customer accounts by engaging in a trading strategy involving exchange traded products without prior written authorization from the customers, or permission from his member firm. The findings stated that although Kintz discussed the investment strategy with the customers, who were his relatives, he did not speak with them on the days of the trades. Kintz aggravated his misconduct by using an unapproved communication channel to exchange messages concerning investment recommendations with the customers.

The suspension is in effect from March 18, 2024, through May 17, 2024.
([FINRA Case #2021069196401](#))

Joseph C. Desapio ([CRD #5837553](#), New York, New York)

March 8, 2024 – An AWC was issued in which Desapio was suspended from association with any FINRA member in all capacities for 15 months. In light of Desapio’s financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Desapio consented to the sanction and to the entry of findings that he violated FINRA’s Suitability Rule and willfully violated the Best Interest Obligation under Exchange Act Rule 15l-1 (Regulation BI), by recommending quantitatively unsuitable trades in accounts held by customers, one of whom was a senior. The findings stated that Desapio’s customers relied on his advice and routinely followed his recommendations and, as a result, Desapio exercised de facto control over the customers’ accounts. Desapio’s trading resulted in high turnover rates and cost-to-equity ratios that were well above the traditional guideposts, as well as significant losses. Desapio’s trading in these customer accounts generated total trading costs of \$136,023, including \$111,798 in commissions, and caused \$92,546 in realized losses. Desapio’s member firm settled with two customers after they filed an arbitration claim against it and Desapio alleging sales practice violations. The findings also stated that Desapio borrowed \$20,000 from a customer, with whom he had a prior personal non-familial relationship, without providing prior notice to or obtaining written approval from his firm. The customer’s funds were recovered in connection to their settlement with Desapio’s firm.

The suspension is in effect from March 18, 2024, through June 17, 2025.
([FINRA Case #2022074025801](#))

Sean Jeffrey Fields ([CRD #6190319](#), Antioch, California)

March 8, 2024 – An AWC was issued in which Fields was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Fields consented to the sanctions and to the entry of findings that he borrowed money from customers without providing notice to or receiving approval from his member firm. The findings stated that Fields received loans totaling \$55,000 from two firm customers. Although one customer’s loan was not documented in any way, Fields orally agreed to repay the loan with 12 percent interest. Fields is currently repaying the loan according to the terms of the oral agreement. The second customer’s loan was not initially documented in any way and the loan has not been repaid. The findings also stated that Fields settled a customer complaint without his firm’s knowledge or approval. The second customer verbally complained to Fields about his failure to repay her loan. The customer later filed a complaint with Fields’ firm regarding the terms and purpose of the loan she had made with him, but then withdrew the complaint a week later. Ultimately, Fields entered into a written settlement agreement with the customer with him agreeing to repay her the principal amount of \$15,000, plus

\$3,000 in interest. The agreement also included a mutual release of any future claims against each other, a release of any future claims by the customer against the firm, and a confidentiality provision. Fields did not inform the firm about the customer's complaint or obtain the firm's approval to settle the complaint.

The suspension is in effect from March 18, 2024, through September 17, 2024.
([FINRA Case #2023079664201](#))

Darrell W. Layman (CRD #4372889, Cuba, Missouri)

March 11, 2024 – An AWC was issued in which Layman was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Layman consented to the sanctions and to the entry of findings that he electronically signed the names of customers on account documents, two of whose names were signed without the customers' prior permission. The findings stated that the account documents, which included new account applications, money transfer forms, account transfer forms, and certifications of trust, were required books and records of the firm. All of the transactions were authorized and none of the customers complained. The findings also stated that Layman falsely attested in annual compliance questionnaires that he had not signed or affixed another person's signature on a document. Through his conduct, Layman caused his member firm to maintain inaccurate books and records.

The suspension is in effect from March 18, 2024, through July 17, 2024.
([FINRA Case #2022077093901](#))

Joseph Michael Cucinotta Jr. (CRD #3272604, Kennett Square, Pennsylvania)

March 12, 2024 – An AWC was issued in which Cucinotta was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Cucinotta consented to the sanctions and to the entry of findings that he falsified customer signatures on applications for fixed annuities by electronically signing the customers' names on the applications. The findings stated that Cucinotta did so with the customers' consent, but without indicating in the applications that he was signing on the customers' behalf. After submitting the applications, the customers had 180 days to decide whether to fund the annuity.

The suspension was in effect from April 15, 2024, through May 14, 2024.
([FINRA Case #2021072601101](#))

Emily Jean Smith (CRD #6287728, Vero Beach, Florida)

March 13, 2024 – An AWC was issued in which Smith was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Smith consented to the sanctions and to the entry of findings that she caused her member firm to maintain

inaccurate books and records when she falsified documents by reusing customer signature pages and altering customer-signed documents. The findings stated that Smith reused customer signature pages on firm documents, including customer agreements, transfer forms, and a rollover election form. In addition, Smith altered documents, including account applications and transfer forms, by adding information such as account numbers, dates, and policy names to the documents after they were signed by customers.

The suspension is in effect from March 18, 2024, through July 17, 2024.
([FINRA Case #2023079243401](#))

Valence Montgomery Williams (CRD #1389729, Brooklyn, New York)

March 13, 2024 – An AWC was issued in which Williams was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for five months. Without admitting or denying the findings, Williams consented to the sanctions and to the entry of findings that he exercised discretionary authority to effect trades in customer accounts without obtaining written authorization from the customers to exercise discretion and without his member firm having accepted the accounts as discretionary. The findings stated that Williams also mismarked trades as unsolicited, causing his firm to maintain inaccurate books and records.

The suspension is in effect from March 18, 2024, through August 17, 2024.
([FINRA Case #2021072193101](#))

Rista Sumaiya Haque (CRD #7698052, Denton, Texas)

March 15, 2024 – An AWC was issued in which Haque was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Haque consented to the sanctions and to the entry of findings that she possessed and had access to her cellular telephone while taking the Securities Industry Essentials (SIE) exam. The findings stated that Haque took the exam at her member firm office using a remote delivery platform. Prior to beginning the exam, Haque attested that she reviewed and would abide by the SIE Rules of Conduct, which prohibited the use or attempted use of certain personal items, such as electronic devices and telephones, during the exam.

The suspension is in effect from March 18, 2024, through September 17, 2025.
([FINRA Case #2023079086301](#))

John Jude Butler (CRD #2689182, Beverly Hills, Florida)

March 19, 2024 – An AWC was issued in which Butler was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Butler consented to the sanctions and to the entry of findings that he failed to provide prior written notice

to his member firm of his consulting services-related OBAs. The findings stated that in addition to engaging in an approved insurance business, Butler also engaged in a consulting services business whereby he assisted a firm customer in selling portions of the customer's civil money judgment awarded to him in a litigation to a third party. The customer paid over \$538,000 to Butler for these unapproved consulting services. In addition, Butler falsely affirmed on annual compliance questionnaires that he had completely and accurately disclosed his OBAs to the firm.

The suspension is in effect from April 1, 2024, through June 30, 2024.
([FINRA Case #2022073944702](#))

Todd Arnold Havemeister (CRD #1942953, Maitland, Florida)

March 19, 2024 – An AWC was issued in which Havemeister was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for five months. Without admitting or denying the findings, Havemeister consented to the sanctions and to the entry of findings that he sent numerous communications to prospective investors regarding various private placements that failed to comply with the content standards of FINRA Rule 2210(d), as they contained misleading, unwarranted, exaggerated, and/or promissory statements, and omitted explanations of the risks of the offerings, thus failing to provide a fair and balanced presentation. The findings stated that Havemeister sent communications identifying himself as an investment banker, a role he did not hold at his member firm and had never been registered as with FINRA. Havemeister also drafted and circulated communications to retail investors regarding different private placements, without obtaining approval from an appropriately qualified registered principal at his firm. Some of these communications made only positive claims about the prospects and performance of the offering but did not explain any of the risks associated with investing in a speculative, illiquid private placement while others did not provide any factual basis for certain claims, did not explain how he reached his estimates, and did not disclose any of the risks of investing.

The suspension is in effect from April 1, 2024, through August 31, 2024.
([FINRA Case #2022074921901](#))

Andre Krause (CRD #4060322, Hillsborough, New Jersey)

March 19, 2024 – An AWC was issued in which Krause was fined \$10,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Krause consented to the sanctions and to the entry of findings that he caused his member firm to make and preserve inaccurate books and records by mismarking order tickets as unsolicited when he had solicited the trades.

The suspension is in effect from April 15, 2024, through June 14, 2024.
([FINRA Case #2023080625001](#))

Robert Edward Johnson ([CRD #2363510](#), Huntington, New York)

March 20, 2024 – An AWC was issued in which Johnson was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Johnson consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension was in effect from April 15, 2024, through May 14, 2024.

([FINRA Case #2023079729201](#))

Joseph Kevin Mathesen ([CRD #5799049](#), Center Moriches, New York)

March 20, 2024 – An AWC was issued in which Mathesen was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Mathesen consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension was in effect from April 15, 2024, through May 14, 2024.

([FINRA Case #2023079726101](#))

Alfred William Schefer ([CRD #1809353](#), Greenlawn, New York)

March 21, 2024 – An AWC was issued in which Schefer was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Schefer consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension was in effect from April 15, 2024, through May 14, 2024.

([FINRA Case #2023079717301](#))

David A. Dodson ([CRD #2363957](#), Brookhaven, Georgia)

March 22, 2024 – An AWC was issued in which Dodson was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 20 months. Without admitting or denying the findings, Dodson consented to the sanctions and to the entry of findings that he intentionally made cash deposits totaling \$248,460 in two different bank accounts structured in amounts below \$10,000 to avoid federal reporting requirements that would have caused

the financial institutions to file Currency Transaction Reports (CTRs). The findings stated that Dodson's structured cash deposits did not involve customer funds nor were customers impacted. Dodson had knowledge of CTR requirements from training he completed at his member firm related to the Bank Secrecy Act and CTR requirements.

The suspension is in effect from April 1, 2024, through November 30, 2025.
([FINRA Case #2022075762601](#))

Brian Keith Jones (CRD #4203098, Mt. Pleasant, Iowa)

March 27, 2024 – An AWC was issued in which Jones was fined \$5,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Jones consented to the sanctions and to the entry of findings that he participated in two private securities transactions totaling \$100,000, without providing prior written notice to or seeking and receiving approval from, his member firm. The findings stated that Jones researched a private placement offering, recommended that two of his investment advisory customers purchase shares in the offering, and facilitated the close of the transactions and the transfer of purchased shares from the issuer to the customers' accounts. Jones earned at least \$1,360 in investment advisory fees attributable to these customers' investments in the offering. The findings also stated that when asked on his annual firm compliance questionnaire whether, within the last two years, he had assisted, advised, or facilitated any private securities transactions, Jones falsely responded that he had not. In the following year's annual firm compliance questionnaire, Jones disclosed for the first time that he in fact had participated in the private securities transactions.

The suspension is in effect from April 15, 2024, through May 29, 2024.
([FINRA Case #2023078431201](#))

Christopher Gerard Perillo (CRD #7589151, Merrick, New York)

March 28, 2024 – An AWC was issued in which Perillo was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Perillo consented to the sanctions and to the entry of findings that he possessed and had access to unauthorized materials while taking the MSRB's Series 52 Municipal Securities Representative qualification examination administered by FINRA. The findings stated that prior to beginning the examination, Perillo attested that he had reviewed and would abide by MSRB Rule G-3(f) and the examination Rules of Conduct. However, during a lengthy unscheduled break, Perillo possessed and had access to his study materials located in the test center restroom.

The suspension is in effect from April 1, 2024, through September 30, 2025.
([FINRA Case #2023078663802](#))

Christopher Mack Watkins ([CRD #2376887](#), Farmington, Utah)

March 28, 2024 – An AWC was issued in which Watkins was assessed a deferred fine of \$15,000, suspended from association with any FINRA member in all capacities for two months, and ordered to pay \$42,768.72, plus interest, in restitution to customers. Without admitting or denying the findings, Watkins consented to the sanctions and to the entry of findings that he charged an investment fund and two trust accounts more than a fair commission on equity transactions by failing to consider all factors relevant to the fairness of those commissions. The findings stated that Watkins generally charged a percentage of each transaction's principal value approaching five percent that would produce a round number dollar amount. Watkins charged these customers unfair commissions that substantially exceeded what he charged other firm customers at arm's length for similar transactions. In addition, on some occasions, Watkins charged an average aggregate commission in excess of five percent to execute a proceeds transaction, to purchase securities using the proceeds from selling securities at or about the same time. These commissions were not justified by market conditions; execution cost; the provision of any special brokerage services; the value of any brokerage services rendered by reason of Watkins' experience in or knowledge of the securities or the market; or any other relevant factor. In addition, Watkins determined the commissions on purchases in proceeds transactions without considering the commissions on the corresponding sales. In all, Watkins overcharged these customers by \$42,768.72.

The suspension is in effect from April 1, 2024, through May 31, 2024.

([FINRA Case #2021069366201](#))

Jason W. Wolter ([CRD #2934037](#), New Canaan, Connecticut)

March 28, 2024 – An AWC was issued in which Wolter was fined \$5,000 and suspended from association with any FINRA member in all capacities for 10 business days. Without admitting or denying the findings, Wolter consented to the sanctions and to the entry of findings that he exercised discretion in the accounts of two customers without written authorization from the customers and without seeking his member firm's approval of the accounts as discretionary. The findings stated that one customer instructed Wolter to communicate with the customer's son about transactions in his accounts, and the customer granted his wife and son POA over his financial accounts. Wolter did not obtain a copy of the POA, inform his member firm of the POA, or amend the customer's account information to reflect the POA or any authorizations over the customer's account. Nonetheless, Wolter stopped seeking the customer's prior approval for the transactions and, instead, sought prior approval from the customer's wife or son, neither of whom were authorized in the firm's records to approve transactions in the customer's accounts. A second customer gave Wolter implied authorization to exercise discretion in the customer's account, but Wolter did not have written authorization to exercise discretion in the account, and the firm did not approve the account as discretionary.

The suspension was in effect from April 15, 2024, through April 26, 2024.

([FINRA Case #2019064430601](#))

Philip Gerard Cianro ([CRD #2350685](#), Brooklyn, New York)

March 29, 2024 – An AWC was issued in which Cianro was fined \$5,000, suspended from association with any FINRA member in any Financial and Operations Principal (FINOP) capacity for one month, and required to complete 20 hours of continuing education relating to the duties of a FINOP. Without admitting or denying the findings, Cianro consented to the sanctions and to the entry of findings that he permitted his member firm to conduct a securities business on 43 days while it failed to maintain its required minimum net capital. The findings stated that in his capacity as FINOP, Cianro was responsible for suspending business operations when the firm was net capital deficient and for filing all related required financial notifications. Cianro computed the firm's net capital and recorded the net capital deficiencies on the firm's books and records but failed to take any steps to suspend the firm's business operations. The findings also stated that Cianro caused the firm to not file timely notices of its net capital deficiencies. Cianro failed to file same-day notifications with FINRA and the SEC for the firm's net capital deficiencies for 46 days. In addition, Cianro filed notifications on behalf of the firm between three and 44 days after he became aware of each deficiency.

The suspension was in effect from April 15, 2024, through May 14, 2024. ([FINRA Case #2020067041002](#))

Decision Issued

The OHO issued the following decision, which has been appealed to or called for review by the National Adjudicatory Counsel (NAC) as of March 31, 2024. The NAC may increase, decrease, modify or reverse the findings and sanctions imposed in the decision. Initial decisions where the time for appeal has not yet expired will be reported in future FINRA Disciplinary & Other Actions.

Michael Ciro Colletti ([CRD #4577898](#), Glen Head, New York)

March 21, 2024 – Colletti appealed an OHO decision to the NAC. Colletti was fined \$10,000, suspended from associating with any FINRA member firm in any capacity for eight months, and ordered to pay \$5,417, plus interest, in restitution to a customer, and required to requalify by examination as a General Securities Representative before he re-enters the securities industry. The sanctions were based on the findings that Colletti engaged in unauthorized trading without obtaining specific authorization from the customer before executing each trade, and as a result, he exercised de facto control over the customer's account. The findings stated that Colletti engaged in quantitatively unsuitable and excessive trading inconsistent with the customer's financial circumstances and investment objectives. The customer was in his 60s and, nearing retirement, his account was an IRA account, and he had a moderate risk tolerance, and his investment objectives were income and growth. Colletti engaged in a pattern in the account holding stock for short periods of time, selling at a loss or small profit, and charging significant commissions. The customer's account never exceeded \$10,000, yet Colletti's excessive trading resulted in relatively substantial losses of \$5,417, while Colletti received \$5,081 in commissions.

The sanctions are not in effect pending review. ([FINRA Case #2019061942901](#))

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

CVEX Markets LLC (CRD #311448)
Austin, Texas
(March 1, 2024)

**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.)

Kwame Adusei (CRD #6166926)
LaGrangeville, New York
(March 18, 2024)
FINRA Case #2023079018901

Brittany Anderson (CRD #7581277)
Florence, South Carolina
(March 18, 2024)
FINRA Case #2023078125202

Gianluca De Berardinis (CRD #4893776)
Greenwich, Connecticut
(March 15, 2024)
FINRA Case #2023079207701

Brian Hall (CRD #7536886)
Kailua, Hawaii
(March 18, 2024)
FINRA Case #2023077990901

Monu Joseph (CRD #4814346)
Laguna Beach, California
(March 18, 2024)
FINRA Case #2019064569101

Quintosha Thomas (CRD #7575213)
Florence, South Carolina
(March 18, 2024)
FINRA Case #2023078125201

**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.)

Ian A. Geeves (CRD #5328479)
San Clemente, California
(March 21, 2024)
FINRA Case #2023080323001

Ned Adam Seitler (CRD #2897661)
Syosset, New York
(March 29, 2024)
FINRA Case #2023080050201

**Timothy Charles Sullivan
(CRD #2969989)**
Danville, California
(March 21, 2024)
FINRA Case #2023080723701

**Kirkland DeShannon Wilson
(CRD #7362834)**
Lockhart, Texas
(March 25, 2024)
FINRA Case #2023079881701

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

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

**Helen Thomasine Andrews
(CRD #4951340)**
Brooklyn, New York
(April 26, 2019 – March 8, 2024)
FINRA Arbitration Case #18-03364

Christine Tan Dormier (CRD #3202595)

Austin, Texas

(April 17, 2023 – March 1, 2024)

FINRA Arbitration Case #22-00877

David Jerome Ferneding

(CRD #2165740)

Flower Mound, Texas

(March 1, 2024)

FINRA Arbitration Case #22-02207

Matthew Grady (CRD #4362567)

Sterling, Massachusetts

(December 14, 2017 – March 15, 2024)

FINRA Arbitration Case #15-01468/

ARB170025/ 20170543574

Leonardo Hernandez III

(CRD #4807141)

Lynbrook, New York

(March 20, 2024)

FINRA Arbitration Case #23-03107

Seth Horowitz (CRD #2557141)

Syosset, New York

(March 15, 2024)

FINRA Arbitration Case #23-02637

Jeffrey Richard Nemesi (CRD #6350639)

Raleigh, North Carolina

(March 1, 2024 – March 15, 2024)

FINRA Arbitration Case #21-02754

Donald Lee Smith (CRD #1134141)

Erie, Pennsylvania

(March 27, 2023 – March 14, 2024)

FINRA Arbitration Case #20-01072

FINRA Fines M1 Finance \$850,000 for Violations Regarding Use of Social Media Influencer Program

First Social Media Influencer-Related FINRA Enforcement Disciplinary Action

FINRA announced that it has fined [M1 Finance LLC](#) \$850,000 for social media posts made by influencers on the firm's behalf that were not fair or balanced, or contained exaggerated, unwarranted, promissory or misleading claims. This case arises from FINRA's [targeted exam](#) of firm practices related to the acquisition of customers through social media channels and represents the first formal FINRA Enforcement disciplinary action involving a firm's supervision of social media influencers.

"As investors increasingly use social media to inform their financial decisions, FINRA's rules on communicating with the public are especially critical. FINRA will continue to consider whether firms are using practices and maintaining supervisory systems that are reasonably designed to address the risks related to social media influencer programs," said Bill St. Louis, Executive Vice President and Head of Enforcement, FINRA.

Between January 2020 and April 2023, M1 Finance paid social media influencers to post content promoting the firm, and instructed the influencers to include a unique hyperlink to the firm's website that potential new customers could use to open and fund an M1 Finance brokerage account. M1 Finance also provided its influencers with graphics and a "Welcome Guide" that described specific services and features available through M1 Finance that influencers could highlight to make their social media posts more effective.

The firm paid influencers who participated in its program a flat fee for every new account that was opened and funded by the customer using a unique link provided by M1 Finance. The firm did not limit compensation influencers could earn. During this period, more than 39,400 new accounts were opened and funded with the help of approximately 1,700 influencers working on the firm's behalf.

M1 Finance influencers made social media posts promoting the firm that were not fair and balanced, in violation of FINRA Rules 2210 (Communications with the Public) and 2010 (Standards of Commercial Honor and Principles of Trade). For example, an influencer advertising M1 Finance's margin lending program stated that customers could "pay [margin loans] back at any given time ... there is no set time period." But in fact, investors who use margin are not entitled to any extension of time to meet the firm's margin requirements, and the firm can, without contacting such investors, increase the maintenance margin requirement on their accounts at any time, force a sale of securities in their accounts, and choose which securities to sell, if a margin call occurs.

M1 Finance did not review or approve the content in its influencers' posts prior to use or retain those communications, as required by FINRA rules. M1 Finance also failed to have a reasonable system, including written procedures, for supervising the communications that the firm's influencers made on its behalf. These were in violation of FINRA Rules 2210, 2010, 3110 (Supervision) and 4511 (General Requirements-Books and Records), as well as the Securities Exchange Act of 1934 and the Exchange Act Rules.

In settling [this matter](#), M1 Finance consented to the entry of FINRA's findings without admitting or denying the charges. The firm also agreed to certify that it has remediated the issues identified by FINRA in a letter of acceptance, waiver and consent and implemented a supervisory system, including written supervisory procedures, that is reasonably designed to achieve compliance with Rule 2210.