

Disciplinary and Other FINRA Actions

Firm Suspended, Individual Barred and Individual Fined

NYPPEX, LLC (CRD #47654, Lansing, Michigan), Laurence Geoffrey Allen (CRD #1063970, Greenwich, Connecticut) and Michael Joseph Schunk (CRD #732595, Bridgeport, Connecticut)

May 7, 2024 – The firm and Allen appealed a National Adjudicatory Counsel (NAC) decision to the Securities and Exchange Commission (SEC). The NAC decision in regard to Schunk became final on May 8, 2024. The firm was suspended from FINRA membership for one year and fined \$50,000, Allen was barred from association with any FINRA member in all capacities, and Schunk was fined \$40,000. Considering the bar imposed on Allen, the NAC did not impose fines on him. The NAC modified the findings and sanctions imposed by the Office of Hearing Officers (OHO). The sanctions were based on the findings that Allen continued to associate with the firm after becoming subject to a statutory disqualification, and the firm and Schunk allowed him to do so without filing a Membership Continuance Application (MC-400). The findings stated that a New York State court entered an order ex parte against Allen that subjected him to a statutory disqualification because it enjoined him from violating a securities fraud statute and specifically enjoined him from undertaking activities in connection with the purchase or sale of securities. Allen was served with the order and Schunk became aware of it. The firm and Schunk allowed Allen to continue associating with the firm for more than one year after he was served with the order. The findings also stated that the firm and Allen published a statement on the internet (the “Press Release”) that implied FINRA’s endorsement of the firm’s business practices. The Press Release was posted to the internet, and it remained on the internet, in its original form, for at least 30 days. The findings also included that the firm and Allen failed to provide complete responses to FINRA requests for documents and information. The firm and Allen failed to provide bank statements requested by FINRA for the firm’s corporate parent company and Allen regarding bank accounts that they each held in 2018 and/or 2019. In addition, the firm and Allen failed to provide any 2018 or 2019 statements for business-related accounts that Allen held. The firm and Allen also failed to provide statements for an additional unspecified number of bank accounts. Furthermore, the firm and Allen failed to provide all of the information related to Allen’s outside business activities (OBAs) and private securities transactions requested by FINRA. The firm and Allen failed to provide a list of Allen’s private securities transactions and documents evidencing the firm’s approval and supervision of Allen’s OBAs and private securities transactions. The firm and Allen also failed to

Reported for July 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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provide all of the information related to loans requested by FINRA. The NAC found that Enforcement failed to prove that the firm and Allen did not provide timely responses to the requests. The NAC reversed the finding that the firm and Allen made material omissions in offers of securities because Enforcement failed to prove that they had a duty to disclose the omitted information. The NAC also reversed the finding that the firm and Allen made false or misleading statements in the Press Release because Enforcement failed to prove that any statement was material. The NAC reversed the finding that Allen made false and misleading statements in an affidavit that was filed with a New York State court and which the firm later submitted to FINRA because Enforcement failed to prove that Allen knowingly made any false statement. The NAC also reversed the finding that the firm, Allen, and Schunk made false or misleading statements in response to a FINRA request because Enforcement failed to prove that any statement was false or misleading. The NAC further reversed the finding that the firm and Schunk failed to reasonably supervise Allen.

The sanctions, except for Allen's bar and Schunk's fine, are not in effect pending review. ([FINRA Case #2019064813801](#))

Firm Sanctioned, Individual Suspended

Kayan Securities, Inc. ([CRD #156175](#), Los Angeles, California), and Yong Soo Kim ([CRD #1747849](#), Los Angeles, California)

May 16, 2024 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured, ordered to pay \$50,000, plus interest, in partial restitution to a customer, and required to certify that it has reviewed and remediated the issues identified in the AWC and implemented a reasonably designed supervisory system, including written supervisory procedures (WSPs). FINRA imposed partial restitution and no fine after considering, among other things, the firm's revenues and financial resources. Kim was fined \$5,000, suspended from association with any FINRA member in any principal capacity for two months, and required to attend and satisfactorily complete 20 hours of continuing education concerning supervisory responsibilities, including supervision relating to excessive trading. Without admitting or denying the findings, the firm and Kim 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 the suitability requirements of FINRA Rule 2111 and the Care Obligation of Rule 15l-1 of the Securities Exchange Act of 1934 (Regulation BI or Reg BI) as they pertain to excessive trading. The findings stated that the firm's supervisory system for detecting and investigating potential excessive trading consisted of Kim reviewing representatives' daily order logs and monthly active trading reports he received from the firm's clearing firm. The firm later updated its WSPs to add sections regarding Reg BI and

the Care Obligation but did not add to or revise its WSPs regarding excessive trading supervision. The findings also stated that the firm and Kim failed to reasonably supervise a former firm registered representative by failing to reasonably respond to red flags that the representative had engaged in unauthorized and excessive trading in customer accounts, one of whom was a senior. The firm and Kim, as the representative's direct supervisor, were aware of, or should have been aware of, the red flags. Kim never contacted two of the customers. After the first customer complained about the representative's trading to the firm, the firm and Kim did not reasonably investigate the trading activity. When the representative engaged in similar trading in a third customer's account, Kim only had the representative obtain a revised account application from that customer, changing the investment objective and risk tolerance to conform to the trading. Then, when the representative engaged in similar trading in the senior customer's account, Kim waited until the account appeared on three monthly active account reports with a turnover rate above the benchmark before sending a letter to that customer regarding his account activity, to which that customer immediately responded and complained about unauthorized trading. After the representative admitted to Kim that he had engaged in unauthorized trading in two of the customer's accounts, the firm fined the representative for unauthorized trading in the senior customer's account. The firm, however, conducted no further investigation and allowed the representative to continue to trade in other customers' accounts until he was barred by FINRA. After the representative was barred, the third customer notified the firm that the representative engaged in unauthorized trading in his account as well. The findings also included that the firm failed to disclose to FINRA two customer complaints or its conclusion that the representative had engaged in unauthorized trading. The firm concluded that the representative had engaged in unauthorized trading in two customers' accounts, based, in part, on the representative's admission that he had done so. FINRA found that the firm failed to update the representative's Form U4 and Uniform Termination Notice for Securities Industry Registration (Form U5) to report the written customer complaints alleging the representative's involvement in sales practice violations.

Kim's suspension in all principal capacities is in effect from June 17, 2024, through August 16, 2024. ([FINRA Case #2019064935602](#))

Firms Fined

SoFi Securities LLC (CRD #151717, San Francisco, California)

May 2, 2024 – An AWC was issued in which the firm was censured and fined \$1,100,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it created, and rolled out to the public, a cash management brokerage account wherein applicants were able to steal from customers of other institutions, and used the firm's cash management brokerage

account to withdraw the funds. The findings stated that the firm approved the opening of approximately 800 accounts that third parties then used to transfer approximately \$8.6 million from customer accounts at other financial institutions without authorization. Approximately \$2.5 million of those transfers were subsequently withdrawn by these third parties from these accounts. Subsequently, all injured parties were reimbursed. The findings also stated that the firm failed to establish and maintain a Customer Identification Program (CIP) reasonably designed to verify customers' identity because its account approval process allowed opening of the cash management brokerage accounts without a reasonable review of potential red flags associated with some applicants. The firm used a largely automated process to approve the opening of cash management brokerage accounts that was not reasonably designed to verify the customers' identity and was, therefore, vulnerable to fraud perpetrated by third parties using fictitious or stolen identities. The findings also included that the firm developed and implemented a program that was not reasonably designed to detect, prevent, and mitigate identity theft. The firm failed to identify cash management brokerage accounts as a covered account- in its written Identity Theft Prevention Program (ITPP); failed to implement a reasonable program to respond to red flags of identity theft identified elsewhere in the ITPP; and failed to implement timely reviews of other red flags that it separately detected. ([FINRA Case #2019062705801](#))

M1 Finance LLC ([CRD #281242](#), Chicago, Illinois)

May 6, 2024 – An AWC was issued in which the firm was censured, fined \$400,000, 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 it incorrectly treated all sales as long, effecting sell orders that required compliance with Regulation SHO Rule 203(b)(1), without obtaining a locate for the short sale. The findings stated that the firm violated Regulation SHO Rule 200(g) by incorrectly marking sell orders as long sales, when the orders should have either been (i) split into separate orders, with one order containing shares equal to the firm's net long position marked as long and a second with the balance of the shares marked as short, or (ii) marked as a single short order. In addition, the firm incorrectly marked sell orders as executed in an agent capacity, even though a portion of the sell orders (i.e., the buffer and rounded-up quantities) represented shares purchased for the firm's inventory account executed in a principal capacity. The firm also incorrectly marked buy orders it effected at the end of each trading window as agent, even though a portion of the buy orders were executed in a principal capacity. As a result, the firm maintained inaccurate memoranda for each of those orders and executions and maintained inaccurate books and records. The findings also stated that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with Rules

203(b)(1) and 200(g) of Regulation SHO and related recordkeeping rules. The firm's WSPs required a principal to conduct a daily review of transactions for compliance purposes. However, the WSPs did not provide any additional guidance for how this daily review was to be conducted, such as identifying the individual responsible for the review, specifying the number of trades to be reviewed, or describing what the reviewer should monitor for and what materials the reviewer should use. The firm later implemented WSPs with respect to Rule 200(g)'s order marking requirement. The WSPs did not address review of the firm's trading activity or related records, and the firm did not implement any systems, surveillance or reviews to monitor its compliance with applicable locate, order marking, and recordkeeping rules. ([FINRA Case #2020068953101](#))

Mizuho Securities USA LLC ([CRD #19647](#), New York, New York)

May 7, 2024 – An AWC was issued in which the firm was censured and fined \$250,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it prepared institutional customer confirmations containing inaccurate or incomplete information. The findings stated that FINRA warned the firm that large numbers of its customer confirmations included inaccurate information and that its WSPs regarding customer confirmations were not reasonable because they did not include any supervisory review for accuracy of customer confirmations. Despite being on notice of these deficiencies, the firm continued to include the same types of inaccurate information in trade confirmations. The findings also stated that the firm failed to establish and maintain a supervisory system, including written procedures, reasonably designed to achieve compliance with confirmation requirements. In response to FINRA's prior warning, the firm implemented a review of a sample of customer confirmations. At the time, the firm did not memorialize that review in its WSPs. As part of that review, the firm observed multiple confirmations that exhibited one or more of the same issues. The firm failed to investigate these red flags. The firm later stopped performing the sampling review due to a coding issue and only realized it had stopped performing the review during the firm's FINRA cycle examination. To remediate this issue, the firm reinstated the sampling review and memorialized the review in its WSPs. ([FINRA Case #2022073298301](#))

Oppenheimer & Co. Inc. ([CRD #249](#), New York, New York)

May 7, 2024 – An AWC was issued in which the firm was censured and fined \$500,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to reasonably supervise transactions that its registered representatives placed directly with product sponsors on behalf of firm customers (i.e., direct business transactions or held away securities transactions). The findings stated that the firm did not take steps reasonably designed to ensure that direct business transactions appeared on

the firm's daily trade blotter, causing the firm to fail to run transactions, including dividend reinvestments, for customers through exception reports used to identify potential sales practice violations, including potentially unsuitable transactions. The firm also failed to ensure that it collected information for customers' investment profiles, such as the customers' ages, investment time horizons, and liquidity needs, that was relevant for making certain suitability determinations. Subsequently, the firm revised its WSPs to prohibit direct transactions with mutual fund companies unless a corresponding account has been established at the firm. The firm also instituted procedures to verify that each direct business mutual fund transaction is housed in a firm account or, if not, to require representatives to promptly obtain a new account application and open an account for the customer. The firm also established progressive discipline measures if representatives failed to obtain new account applications. Ultimately, the firm began a retrospective review of its direct business transactions during the relevant period. That review involved identifying the direct business transactions that the firm failed to include on its trade blotter and reviewing the transactions according to the parameters used by the firm's exception reporting system. The firm attempted to collect missing information about customers' investment profiles. The suitability of certain of the transactions could not be determined because the firm was unable to collect complete information at the time of the retrospective review about customers' investment profiles, including their investment time horizons or liquidity needs that would have been relevant at the time of the purchase. ([FINRA Case #2017052438501](#))

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

May 9, 2024 – An AWC was issued in which the firm was censured, fined \$825,000, 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 it failed to reasonably supervise the execution timeliness of customer orders. The findings stated that the firm's supervisory system, including its WSPs, was not reasonably designed in so far as the firm only reviewed the execution timeliness of orders processed through the firm's electronic order systems from the time the orders were routed to a market center for further handling or execution and the final execution time. The firm did not conduct a supervisory review of how long it took the firm's electronic order systems to process and route the orders to a market center. By omitting the electronic order systems' order handling time from order receipt to the route time to a market center from its supervisory reviews, the firm failed to reasonably supervise whether it made every effort to execute marketable customer orders that it received fully and promptly. The findings also stated that the firm failed to reasonably supervise the accuracy of memoranda for electronic orders. The firm's supervisory system, including its WSPs, was not reasonably designed to achieve compliance with SEC and FINRA recordkeeping requirements in so far as the firm did not conduct supervisory reviews to ensure the accuracy of information recorded on its order memoranda for retail brokerage equity orders the firm received electronically. ([FINRA Case #2017054488401](#))

Buckman, Buckman & Reid, Inc. ([CRD #23407](#), Little Silver, New Jersey)

May 13, 2024 – An AWC was issued in which the firm was censured and fined \$15,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it conducted a securities business while failing to maintain its required minimum net capital. The findings stated that the firm's board of directors voted to grant restricted shares of a company, which the firm had previously received as compensation, as a bonus to the firm's three managing directors. The firm directed that the restricted shares would be transferred to the managing directors when the restriction was lifted. The value of the shares was \$497,596. Accordingly, the firm owed \$497,596 in compensation to its managing directors. The firm's grant of the shares as a bonus to its managing directors increased the firm's expenses and liabilities. The firm, however, mistakenly failed to record a compensation expense and failed to include the value of the resulting liability when calculating its aggregate indebtedness, which also caused the firm to inaccurately calculate its required minimum net capital and excess net capital. The firm's net capital fell below the required minimum amount and remained below the required minimum amount for approximately seven months, when the firm eliminated the indebtedness by re-registering the shares in the names of its managing directors. The firm conducted a securities business on 150 days during the period when it lacked the required minimum net capital. The findings also stated that failed to file with FINRA and the SEC the required notices for its net capital deficiencies. The findings also included that the firm failed to make and preserve accurate records of aggregate indebtedness and net capital and filed inaccurate Financial and Operational Combined Uniform Single (FOCUS) reports. The firm mistakenly failed to include the compensation that was owed to the firm's managing directors as an expense and a related liability when calculating its net capital and aggregate indebtedness. This caused the firm to prepare and maintain inaccurate aggregate indebtedness and net capital computations. Further, the firm filed FOCUS reports that inaccurately stated the firm's aggregate indebtedness, minimum required net capital, and/or excess net capital. ([FINRA Case #2021072680701](#))

Arive Capital Markets ([CRD #8060](#), Staten Island, New York)

May 14, 2024 – An AWC was issued in which the firm was censured, fined \$300,000, ordered to pay \$594,928.74, plus interest, in restitution to customers, and required to revise its WSPs and certify that it has remediated the issues identified in the AWC and implemented a reasonably designed supervisory system, including WSPs. The restitution in the amount of \$594,928.74, includes the total costs (commissions, fees, and margin interest) paid by customer accounts that were excessively traded, minus restitution already paid pursuant to other AWCs connected to this matter. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with the

suitability requirements of FINRA Rule 2111 as they pertain to excessive trading. The findings stated that the firm failed to reasonably identify or address red flags of excessive trading in customer accounts, including those of senior customers, causing the customers to pay a total of \$639,809.57 in commissions, costs, and margin interest. The customers relied on the representatives' advice and routinely followed their recommendations, and, as a result, the representatives exercised de facto control over the accounts. The findings also stated that the firm failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with FINRA telemarketing rules. The firm routinely violated the telemarketing rules. Firm representatives placed thousands of telemarketing calls to phone numbers on the national do-not-call registry and the firm's do-not-call list, without a qualified exception, and also violated telemarketing call time-of-day restrictions. ([FINRA Case #2018056483905](#))

Beta Capital Securities LLC dba Creand Securities ([CRD #38964](#), Miami, Florida)
May 20, 2024 – An AWC was issued in which the firm was censured, fined \$115,000, 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 it failed to accurately calculate its required customer reserve requirement and to maintain a sufficient balance in its reserve account. The findings stated that the firm erroneously designated certain customer accounts as non-customer for purposes of the reserve formula. As a result, customer credit balances and customer debit balances were treated as non-customer credits and debits. This caused the firm to miscalculate its customer reserve requirement when the firm was preparing five of its month-end FOCUS reports. The hindsight deficiencies resulting from the firm's miscalculation of its reserve requirement ranged from approximately \$1.3 million to \$13.4 million and totaled approximately \$27.8 million. The findings also stated that the firm filed inaccurate FOCUS reports and maintained inaccurate books and records. The firm's record of its computation of its reserve account requirement and five FOCUS reports filed by the firm based on those computations were inaccurate, with almost all of the FOCUS reports understating the firm's reserve requirement. The findings also included that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with Exchange Act Rule 15c3-3's customer reserve requirement. When the firm converted to self-clearing, it had no supervisory systems, including WSPs, relating to the coding of accounts as customer or non-customer, the inclusion of accounts in the customer trial balance and reserve formula, or the reconciliation of customer credit and debit balances. The firm also did not conduct supervisory reviews to ensure accounts were properly designated as customer or non-customer. Furthermore, since the firm's supervisory review of account coding compared the assigned codes (e.g., customer or non-customer) to the account information on file, the firm could not identify potential inaccuracies in designating accounts as customer or non-customer. ([FINRA Case #2020065127101](#))

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

May 20, 2024 – An AWC was issued in which the firm was censured, fined \$100,000, 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 it failed to file or timely file documents and information with regard to public takedown offerings of securities following an initial shelf offering. The findings stated that the firm failed to disclose underwriting compensation. Prior to acting as a placement agent for the issuer's takedown offerings, the firm was a private placement agent for the issuer in private offerings. For both of the private offerings, the firm received compensation in the form of commissions and warrants for acting as placement agent. Although the prospectus supplements for the takedown offerings incorporated by reference previously filed Forms 8K that included the number of private warrants the firm received in the 180 days preceding the registration statements, the firm did not disclose those warrants as underwriting compensation in the underwriting or distribution arrangements section of the prospectus supplements as required. The findings also included that the firm failed to establish and maintain a supervisory system and WSPs reasonably designed to achieve compliance with filing and disclosure requirements. The firm's WSPs did not designate a supervisor responsible for verifying that all filings and disclosures required by FINRA Rule 5110 were made consistent with that rule and did not include details or guidance regarding how any compliance reviews should be conducted. The firm also failed to have any supervisory controls or systems reasonably designed to satisfy the firm's obligations to timely and completely file required documents and information with FINRA, and to disclose all underwriting compensation in the offering documents as required by that rule. ([FINRA Case #2019060686501](#))

BofA Securities, Inc. ([CRD #283942](#), New York, New York)

May 28, 2024 – An AWC was issued in which the firm was censured and fined \$90,080. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it filed untimely and inaccurate restricted period and trading notifications with FINRA. The findings stated that the inaccurate notifications either failed to identify all the distribution participants in the distributions or failed to properly identify distribution participants as FINRA members. In addition, the firm submitted restricted period notifications without verifying that the list of final participants was correct, and failed to file amended notifications when distribution participants joined after an initial restricted period notification was filed, instead, supplying the list of final participants in the trading notification. The findings also stated that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with FINRA Rule 5190 notifications with respect to the timeliness and accuracy of those notifications. The firm lacked a reasonable supervisory system to ensure that restricted period notifications were timely filed for certain distributions with

marketing periods shorter than the length of the applicable restricted periods and instead relied on internal “launch emails” used to initiate the marketing of the distribution, to determine when to file the restricted period notification. In addition, the firm’s WSPs did not provide sufficient guidance on when the notifications needed to be submitted or how the notifications should have been reviewed. The firm lacked any supervisory system to review the accuracy of the notifications, including any system for reviewing whether distribution participants were FINRA members. The firm also lacked reasonable systems and procedures, including WSPs, to verify that it filed amended restricted period notifications reflecting the addition of distribution participants after the initial restricted period notifications were filed. As a result, certain of the firm’s restricted period notifications did not accurately reflect all distribution participants. ([FINRA Case #2020066382601](#))

Thrivent Investment Management Inc. (CRD #18387, Minneapolis, Minnesota)
May 28, 2024 – An AWC was issued in which the firm was censured, fined \$325,000, 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 it failed to establish and maintain a supervisory system reasonably designed to detect possible instances of signature forgery or falsification. The findings stated that firm registered representatives electronically signed customer names on documents, including documents that were required books and records of the firm. The firm’s WSPs required representatives to obtain authentic customer signatures on firm documents. However, the firm’s WSPs did not include any procedure to supervise use of electronic signatures or provide reasonable guidance to supervisors on what they should look for in attempting to assess whether an electronic signature was genuine. As a result, the firm did not reasonably investigate certain red flags contained in the certificates of completion, such as instances where representatives sent a document from their work email address to an email address not recorded in the customer’s account information such as their personal email address, sent an authentication code to their own cell phone number, or instances where the representative and customer’s remote signatures were sent from the same IP address. The firm failed to detect that certain of its representatives sent documents requiring a customer’s electronic signature to their own personal and work email addresses, and corresponding authorization codes to their own phones, and then falsified or forged customer electronic signatures on firm documents. The falsifications and forgeries were not in furtherance of unauthorized activity, there was no customer harm, and no customer complained. ([FINRA Case #2023079075201](#))

Individuals Barred

James Harry Mackellar ([CRD #803007](#), Thousand Oaks, California)

May 1, 2024 – An AWC was issued in which Mackellar was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Mackellar consented to the sanction and to the entry of findings that he refused to provide information or documents requested by FINRA in connection with its investigation into a complaint. The findings stated that the complaint was submitted to FINRA concerning Mackellar's alleged OBAs involving a customer's estate and his indirect beneficial interest in that customer's accounts. ([FINRA Case #2023078203401](#))

Michael Gerard Gravelyn ([CRD #6569005](#), Rockford, Michigan)

May 2, 2024 – An AWC was issued in which Gravelyn was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Gravelyn consented to the sanction and to the entry of findings that he refused to produce information and documents requested by FINRA in connection with its investigation into the circumstances giving rise to a Form U5 filed by her member firm. The findings stated that the Form U5 disclosed that Gravelyn had been permitted to resign after a review of his business practices revealed that he had violated company policy. ([FINRA Case #2023078749801](#))

Matthew Tze-Duhr Chen ([CRD #7135693](#), Austin, Texas)

May 8, 2024 – An AWC was issued in which Chen was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Chen 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 reflected in a Form U5 filed by his member firm. The findings stated that the Form U5 reported that Chen resigned from the firm after allegations were made that he did not follow the firm's proper Safe Log Procedures and Non-Practice Relationship Policy. The Form U5 also disclosed that Chen resigned while under internal review for inaccurate documentation of activity notes and check receipts. The Form U5 further noted that while no clients were harmed, Chen attempted to defraud the firm through the payment of unearned compensation that was rightly due to his colleague. ([FINRA Case #2023080450801](#))

Kevin Elijah Davis ([CRD #1295560](#), Sunnyvale, Texas)

May 8, 2024 – An AWC was issued in which Davis was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Davis consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA. The findings stated that this matter originated from a Form U5 filed by Davis' member firm, which disclosed that he had been terminated after having failed to timely disclose to the firm a loan made to a family member, in violation of firm policy. ([FINRA Case #2023077575701](#))

Kris Min Lee-Kim ([CRD #6899858](#), Monrovia, California)

May 9, 2024 – An AWC was issued in which Lee-Kim was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Lee-Kim consented to the sanction and to the entry of findings that she refused to produce information and documents requested by FINRA during the course of a matter that originated from the submission of a Form U5 filed by her member firm. The findings stated that the Form U5 disclosed that Lee-Kim was discharged for allegedly violating the firm's policy regarding personal finances as it relates to Currency Transaction Reporting. ([FINRA Case #2023079878401](#))

Jesse Aaron Bray ([CRD #6310189](#), Orlando, Florida)

May 10, 2024 – An AWC was issued in which Bray was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Bray 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 a disclosure reflected in a Form U4 amendment filed by his member firm reporting that he was charged with a felony. ([FINRA Case #2023080242101](#))

Paul Robert Fehrenbach Jr. ([CRD #2390131](#), Boston, Massachusetts)

May 13, 2024 – An AWC was issued in which Fehrenbach was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Fehrenbach 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 his failure to disclose a lien. ([FINRA Case #2023080255801](#))

Nicole Lynn Bolton ([CRD #7279951](#), Meridian, Idaho)

May 15, 2024 – An AWC was issued in which Bolton was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Bolton consented to the sanction and to the entry of findings that she refused to provide information and documents requested by FINRA in connection with its investigation concerning her alleged participation in an undisclosed OBA. The findings stated that Bolton acknowledged receipt of FINRA's letter and requested a telephone conference to discuss a schedule for production of the requested information and documents, and potential penalties for noncompliance. FINRA granted Bolton an extension to produce the information and documents requested. However, to date, Bolton has not provided the requested information and documents to FINRA. ([FINRA Case #2023078213501](#))

Gary Alan Kieper ([CRD #4147968](#), Antigo, Wisconsin)

May 21, 2024 – An AWC was issued in which Kieper was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Kieper consented to the sanction and to the entry of findings that he refused to provide on-the-record testimony requested by FINRA. ([FINRA Case #2024081689201](#))

Bryan Stuart Kocen ([CRD #2119036](#), Rancho Mirage, California)

May 28, 2024 – An AWC was issued in which Kocen was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Kocen consented to the sanction and to the entry of findings that he refused to produce information and documents and to appear for on-the-record testimony requested by FINRA in connection with its net capital cause examination of Kocen's member firm. The findings stated that although Kocen cooperated with FINRA's investigation by providing documents and information and appearing for testimony, he ceased doing so. ([FINRA Case #2024082083001](#))

David Charles Burke ([CRD #2239637](#), Omaha, Nebraska)

May 30, 2024 – An AWC was issued in which Burke was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Burke 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 circumstances giving rise to a Form U5 filed by his member firm. The findings stated that the Form U5 disclosed that Burke had been discharged after an affiliate property/casualty company terminated his contract for applying electronic and wet signatures on several property/casualty insurance forms without the consent or knowledge of the insured. ([FINRA Case #2023080266701](#))

Ronald Harland Berg ([CRD #19008](#), Irvine, California)

May 31, 2024 – An AWC was issued in which Berg was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Berg 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 examination of his recommendations to multiple senior customers to invest in private offerings and his involvement with customer trusts. The findings stated that initially Berg provided a partial but incomplete response that did not substantially comply with FINRA's request, and the information and documents he failed to provide were material to its examination. Ultimately, Berg refused to provide additional information and documents. ([FINRA Case #2023077022401](#))

John Scott McCoy Jr. ([CRD #6078788](#), New York, New York)

May 31, 2024 – An AWC was issued in which McCoy was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, McCoy 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 allegations that he made electronic fund transfers between bank accounts in his control with insufficient funds to cover the transfers. ([FINRA Case #2022076942401](#))

Individuals Suspended

Gloria R. Geslak (CRD #5314848, Hicksville, New York)

May 2, 2024 – An AWC was issued in which Geslak was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Geslak consented to the sanctions and to the entry of findings that she certified to the State of New York that she had personally completed 15 hours of continuing education required to renew her state insurance license when, in fact, another person had completed that continuing education on her behalf.

The suspension was in effect from June 3, 2024, through July 2, 2024.

([FINRA Case #2023079747801](#))

Ariel A. Rivero (CRD #4236679, Miami, Florida)

May 13, 2024 – An AWC was issued in which Rivero was fined \$15,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Rivero consented to the sanctions and to the entry of findings that he caused his member firm to maintain incomplete books and records by using an instant messaging application to communicate with firm customers regarding securities-related business. The findings stated that the instant messaging application was not an approved channel for electronic communications with customers, and as a result, the firm did not capture or maintain these communications. The messages included, among other things, obtaining authorization to buy and sell stocks, discussions about account performance, and discussions related to a customer complaint and a customer loan. In addition, Rivero falsely attested that he did not use unapproved messaging services for business-related communications. The findings also stated that Rivero borrowed \$500,000 from a firm customer without providing prior written notice to, or obtaining written approval from, the firm. The customer was not an immediate family member or a financial institution. Rivero has repaid the customer more than half of the amount he borrowed and he is current on his payments on the loan. The findings also included that Rivero attempted to settle a customer complaint without notifying his firm. The customer, who was also Rivero's former brother-in-law, complained to Rivero about losses in his account from investments in non-traditional exchange traded funds. Rivero offered, via the instant messaging application, to reimburse the customer over \$300,000 in monthly installments of \$10,000 to resolve the complaint. Rivero did not disclose to his firm the customer's complaint or his attempt to settle with the customer. However, Rivero did not reach a settlement agreement with the customer or make any payments to him. Ultimately, the customer filed an arbitration claim against the firm and Rivero. The firm later settled the customer's complaint.

The suspension is in effect from June 3, 2024, through December 2, 2024.

([FINRA Case #2021072830601](#))

Scott Lewis ([CRD #3117679](#), Plainview, New York)

May 14, 2024 – An AWC was issued in which Lewis was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Lewis 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 June 3, 2024, through July 2, 2024.

([FINRA Case #2024081403001](#))

Elizabeth Bautista ([CRD #5245573](#), Deer Park, New York)

May 17, 2024 – An AWC was issued in which Bautista 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, Bautista consented to the sanctions and to the entry of findings that she certified to the State of New York that she had personally completed 15 hours of continuing education required to renew her state insurance license when, in fact, another person had completed that continuing education on her behalf.

The suspension was in effect from May 20, 2024, though June 19, 2024.

([FINRA Case #2023079735101](#))

Edward John Kotak Jr. ([CRD #6122803](#), Ronkonkoma, New York)

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

The suspension is in effect from June 17, 2024, through July 16, 2024.

([FINRA Case #2023079716301](#))

Brandon Daniel Neil ([CRD #4382535](#), St. George, Utah)

May 20, 2024 – An AWC was issued in which Neil was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Neil consented to the sanctions and to the entry of findings that he engaged in an OBA without providing prior written notice to his member firm. The findings stated that Neil worked as a marketing affiliate for a company that was owned and operated by three other firm registered representatives. The company had two lines of business. First, the company assisted customers with setting up and operating e-commerce storefronts, which offered products for sale on established e-commerce platforms. Second, the company offered to customers lead-generation websites (digital real estate), which

advertised a particular service in a particular location and prompted consumers to provide their information if they were interested in that service. In his capacity as a marketing affiliate, Neil referred potential customers to the company and received a commission if the customers purchased e-commerce storefront services or digital real estate. In total, Neil received \$40,300 in commissions for referring customers to the company. In addition, Neil established an LLC through which he personally operated an e-commerce storefront business using services he purchased from the company without providing any notice to the firm.

The suspension is in effect from June 17, 2024, through September 16, 2024.

[\(FINRA Case #2024081647101\)](#)

Alan Mason (CRD #1302190, New York, New York)

May 22, 2024 – An AWC was issued in which Mason was fined \$5,000, suspended from association with any FINRA member in all capacities for two months, and ordered to pay disgorgement of commissions received in the amount of \$1,324.38, plus interest. Without admitting or denying the findings, Mason consented to the sanctions and to the entry of findings that he willfully violated Rule 15/-1(a)(1) under the Securities Exchange Act of 1934 (Regulation BI) by recommending that a retail customer invest at least 20 percent of her liquid net worth in a speculative, unrated debt security. The findings stated that the customer opened an individual account with Mason's member firm through Mason. The customer reported a moderate risk tolerance with a liquid net worth between \$200,001 and \$500,000. The customer's stated investment objective was growth and income, and it did not include speculation. Mason recommended that the customer invest \$50,000 in bonds from a third offering of a publicly traded financial services company that focused on providing liquidity to holders of illiquid investments and alternative assets. Mason later recommended that the customer invest an additional \$50,000 in a fourth offering of bonds by the company. As a result, Mason earned \$1,324.38 in commissions in connection with his second recommendation. Mason's recommendation that the customer invest an additional \$50,000 in the bonds was not in her best interest based on her investment profile, including her moderate risk tolerance, in light of the high degree of risk associated with the bonds. The customer brought and settled an arbitration against the firm relating to her bond investments.

The suspension is in effect from August 5, 2024, through October 4, 2024.

[\(FINRA Case #2021070498102\)](#)

Joseph Glen Ritter (CRD #7682066, Downingtown, Pennsylvania)

May 23, 2024 – An AWC was issued in which Ritter 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, Ritter consented to the sanctions and to the entry of findings that he willfully filed a false and misleading Form U4 that falsely answered "no" in response to questions about whether he had

been charged with a felony and whether he had filed a bankruptcy petition within the past 10 years. The findings stated that Ritter knew the District Attorney of Chester County, Pennsylvania had charged him with a felony offense. In addition, Ritter had filed a bankruptcy petition with the United States Bankruptcy Court for the District of Delaware.

The suspension is in effect from June 3, 2024, through October 2, 2024.
([FINRA Case #2023077959501](#))

Jackson Boomer ([CRD #7509259](#), Jersey City, New Jersey)

May 29, 2024 – An AWC was issued in which Boomer 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, Boomer consented to the sanctions and to the entry of findings that he accessed unauthorized materials during his Series 66 examination. The findings stated that prior to beginning the exam, Boomer attested that he had read and would abide by the NASAA Qualification Examinations Rules of Conduct, which prohibited the use or attempted use of any personal items, including electronic devices, phones, and personal notes, during the examination and required him to store all personal items in the locker provided by the test vendor prior to entering the test room. During the examination, Boomer had access to a personal note he wrote on his leg during the examination, and he also took an unscheduled restroom break, during which he had access to a personal cellphone that he had left in the restroom.

The suspension is in effect from June 3, 2024, through December 2, 2025.
([FINRA Case #2023079808801](#))

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.

David Wei Wong ([CRD #4689031](#), Monterey Park, California)

May 7, 2024 – Wong was named a respondent in a FINRA complaint alleging that he converted and misused \$9,430.75 in customer funds. The complaint alleges that Wong initially converted and misused \$3,230.75, which was all of the funds in a Roth individual retirement account (IRA) belonging to a customer at his member firm, when he transferred the customer's funds into the firm's bank account. The customer was married to a former registered representative at the firm who had

passed away. At the time of the customer's husband's death, he and the firm were respondents in two FINRA customer arbitrations, which related to the sales activities of the customer's husband. Wong was a respondent in one of these FINRA customer arbitrations. Wong transferred funds from the customer's account into the firm's account without asking her permission or obtaining her approval. The customer's account statement indicated that the charge was for a FINRA Arbitration, however, the customer did not authorize the transfer of funds from her account and the funds did not belong to Wong or to the firm. Furthermore, Wong converted and misused \$6,200 from a trust account established for the benefit of two customers when he transferred the account's funds into the firm's bank account. The customers were the children and heirs to firm customers who had passed away. Wong directed a clearing firm to take the funds from the trust account without asking permission or obtaining approval from the customers after their attorney wrote a letter to the firm complaining about its handling of the customers' parents' accounts after they passed away. The firm provided a copy of the letter to FINRA in response to FINRA's request for information to the firm regarding customer complaints. The account statement for the trust account during this period described the charges as a \$5,000 FINRA fine complaint fee and a \$1,200 FINRA investigation fee. Neither of the customers authorized the transfer of the funds from the trust account and Wong knew that the funds did not belong to him or to the firm. ([FINRA Case #2021069373001](#))

Tavic OShane Lloyd Francis ([CRD #6676717](#), New York, New York)

May 30, 2024 – Francis was named a respondent in a FINRA complaint alleging that he failed to provide documents and information requested by FINRA in connection with its investigation into Francis's use of his corporate credit card to pay for personal expenses. The complaint alleges that Francis's failure to provide information and documents significantly impeded FINRA's investigation and deprived it of material information regarding his alleged personal use of a corporate credit card. ([FINRA Case #2023078168101](#))

Charles William Wodrich ([CRD #2715728](#), Goodyear, Arizona)

May 30, 2024 – Wodrich was named a respondent in a FINRA complaint alleging that he failed to produce documents and information requested by FINRA in connection with its investigation into whether he had made unsuitable recommendations and provided misleading information to a senior customer, whether he engaged in discretion without written authorization in that customer's account, and whether he had communicated with customers using a personal email address that was not monitored or retained by his member firm. The complaint alleges that Wodrich failed to appear for on-the-record testimony requested by FINRA. Wodrich's testimony was material to FINRA's investigation. Wodrich's failure to provide the requested information and documents and to provide on-the-record testimony impeded FINRA's investigation. ([FINRA Case #2022075322601](#))

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

**Arkad Capital Group dba VCExpress
Financial LTD (CRD #314544)**
Port Jefferson Station, New York
(May 14, 2024)

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

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

Bakkt Brokerage, LLC (CRD #288227)
Portland, Oregon
(May 10, 2024)

Leste USA, LLC (CRD #301289)
Miami, Florida
(May 28, 2024)

Liati Capital, LLC (CRD #103958)
New York, New York
(April 15, 2024)

**Liberty Partners Financial Services, LLC
(CRD #130390)**
Raleigh, North Carolina
(May 28, 2024 – May 30, 2024)

Melvin Securities, L.L.C. (CRD #29767)
Chicago, Illinois
(May 06, 2024)

**Mid-Market Securities, LLC
(CRD #126750)**
Mount Kisco, New York
(May 10, 2024)

**Modern Capital Securities Inc.
(CRD #130876)**
Raleigh, North Carolina
(May 28, 2024 – May 30, 2024)

**Palmer Capital Advisors, LLC
(CRD #285420)**
New York, New York
(May 28, 2024 – June 26, 2024)

Quoin Capital LLC (CRD #136160)
Philadelphia, Pennsylvania
(May 28, 2024 – June 17, 2024)

**Raphael Aryeh And Associates
(CRD #17858)**
Flushing, New York
(May 10, 2024)

**Securities Capital Corporation
(CRD #22892)**
Birmingham, Alabama
(May 6, 2024)

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

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

**MustrdSeed Portal LLC (Funding Portal
Org ID #310919)**
Atlanta, Georgia
(November 15, 2023 – May 20, 2024)

Firm 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 9554

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

E1 Asset Management, Inc.
(CRD #46872)
Jersey City, New Jersey
(May 30, 2024)
FINRA Case #23-00643

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.)

Victor Joseph Droubie Jr.
(CRD #1892542)
Clearwater, Florida
(May 3, 2024)
FINRA Case #2023079896401

Ian A. Geeves (CRD #5328479)
San Clemente, California
(May 29, 2024)
FINRA Case #2023080323001

Jonathan Gervaise (CRD #5492872)
Webster, New York
(May 2, 2024)
FINRA Case #2022074549401

Timothy Charles Sullivan
(CRD #2969989)
Danville, California
(May 29, 2024)
FINRA Case #2023080723701

Ronald A. Wells II (CRD #7216314)
Palm Springs, Florida
(May 3, 2024)
FINRA Case #2022077404801

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.)

Sebastian G. Bongiovanni
(CRD #4398600)
Staten Island, New York
(May 28, 2024)
FINRA Case #2022077443301

Matthew Brian Davis (CRD #5421741)
Roanoke, Texas
(May 17, 2024)
FINRA Case #2023078094601

Johnathan Ervin Grasser
(CRD #6197393)
Los Lunas, New Mexico
(May 28, 2024)
FINRA Case #2023080709401

Madison B. Kelly (CRD #6892983)
Houston, Texas
(May 6, 2024)
FINRA Case #2022074939305

Sean Francis Mostero (CRD #6447158)
Long Beach, California
(May 10, 2024)
FINRA Case #2024081064401

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.)

Paul Herbert Feller (CRD #7288652)
Santa Barbara, California
(May 21, 2024 – July 10, 2024)
FINRA Arbitration Case #23-02818

James Yan-Sin Lee (CRD #5294692)
Oviedo, Florida
(May 29, 2024)
FINRA Arbitration Case #24-00032

**Martin Joseph Noonan Jr.
(CRD #2982159)**
Westwood, Massachusetts
(May 21, 2024)
FINRA Arbitration Case #23-03118

Leibish Schwartz (CRD #6517137)
Monroe, New York
(May 30, 2024)
FINRA Arbitration Case #23-02557

Andrew Smith (CRD #4358601)
Eugene, Oregon
(May 2, 2024)
FINRA Arbitration Case #23-01610

Amy Nuttall Zwaan (CRD #4857906)
Clovis, California
(May 1, 2024 – June 18, 2024)
FINRA Arbitration Case #20-01759