

Disciplinary and Other FINRA Actions

Firm Expelled, Individual Sanctioned

Dakota Securities International, Inc. ([CRD #132700](#), Miami, Florida) and Bruce Martin Zipper ([CRD #1019731](#), Miami, Florida)

October 21, 2024 – A Securities and Exchange Commission (SEC) decision that was on remand for reconsideration of sanctions became final in which the firm was expelled from FINRA membership and Zipper was barred from association with any FINRA member in all capacities. The SEC sustained the sanctions imposed by the National Adjudicatory Counsel (NAC). The sanctions were based on findings that Zipper associated with the firm while he was suspended and statutorily disqualified, and the firm permitted this association. The findings stated that the firm and Zipper committed books and records violations by intentionally misidentifying the representative of record for hundreds of trades. The findings also stated that the firm and Zipper created and maintained inaccurate books and records, and the firm willfully violated Section 17(a) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 17a-3 thereunder by misidentifying the representative of record for hundreds of transactions in the firm's books and records. The findings also included that the firm failed to maintain and enforce an adequate supervisory system. ([FINRA Case #2016047565702](#))

Firm Suspended, Individual Sanctioned

Investment Network, Inc. ([CRD #127724](#), Canton, Ohio) and Gary Lee Arnold ([CRD #852859](#), Akron, Ohio)

October 16, 2024 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was suspended from conducting any private placement activities for 60 days, censured, fined \$210,000, ordered to pay disgorgement of commissions received in the amount of \$63,769.60, plus interest, and required to certify that it has remediated the issues identified in the AWC and implemented a reasonably designed supervisory system, including written supervisory procedures (WSPs). Arnold was fined \$10,000, suspended from association with any FINRA member in any principal capacity for three months, and required to requalify by examination as a General Securities Principal prior to acting in that capacity with any FINRA member. Without admitting or denying the findings, the firm and Arnold consented to the sanctions and to the entry of findings that the firm willfully violated Exchange Act Rule 15l-1(a) (1) of the Exchange Act (Reg BI) by failing to disclose a conflict of interest by misrepresenting the amount of compensation the firm received from sales of private placement offerings of pre-Initial Public Offering (IPO) funds. The findings stated that the firm engaged in a deceptive course

Reported for December 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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of business by misrepresenting to investors that it would receive only a 10 percent sales commission from its sale of the offerings when, in fact, it had an agreement with the offerings' issuer to receive an additional five percent in selling compensation as well as half of any carried interest. The firm never disclosed this agreement or the additional compensation it would receive to investors. In total, the representatives recommended and sold the offerings to 36 retail customers, totaling a principal investment amount of \$2,352,900, and the firm received \$116,745 in undisclosed commissions. The firm passed along 91 percent of the total commissions it received in connection with the offerings to the representatives and retained \$63,769.60 in commissions and carried interest. As a result, the firm violated FINRA Rule 2010, both independently and by virtue of contravening Section 17(a)(3) of the Securities Act of 1933 (Securities Act). The findings also stated that the firm willfully violated Reg BI by failing to comply with Reg BI's Care Obligation by lacking a reasonable basis to recommend the offerings. Prior to recommending and selling the offerings, the firm failed to confirm that the issuer had possession of or access to the pre-IPO shares identified in the offering documents or that the issuer's prices and markups were reasonable and not excessive. The findings also included that the firm failed to implement its Customer Identification Program (CIP) with respect to investors in the offerings. When the representatives joined the firm from another broker-dealer, over 20 customer accounts were transferred from their previous firm based solely on a one-page authorization form, which contained no identifying information for the customers beyond their name and account number at the previous firm. Based on this information alone, the firm could not verify the customers' identities. Although the firm reminded the representatives to ensure that their customers ultimately completed new account forms, the firm did not impose a deadline or follow up when customers failed to complete these forms. Nor did the firm take any steps in the meantime to otherwise ensure that these customers produced sufficient information to allow it to verify their identities. As a result, at the time of the offerings, only 13 of the investors had completed new account forms or otherwise provided information from which the firm could verify their identities. Six investors did not complete the forms or otherwise provide such information to the firm until FINRA made a request for this information years after the offerings closed, and the firm was never able to produce the forms or otherwise demonstrate receipt of this information for three other investors. FINRA found that the firm failed to make required filings pursuant to FINRA Rule 5123. The firm failed to file the private placement memorandum and other offering documents with FINRA for 13 new offerings. FINRA also found that the firm and Arnold failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with Reg BI and FINRA rules relating to the sale of private placements. When the firm sold the offerings, Arnold failed to update the firm's WSPs to include any written policies and procedures regarding private placements. As a result, the WSPs, among other things, did not designate a supervisor with responsibility for supervising private placement

offerings. Further, by failing to supervise the offerings, the firm willfully violated Reg BI by virtue of violating Reg BI's Compliance Obligation. FINRA also found that the firm and Arnold failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with Reg BI and FINRA rules relating to excessive trading. The firm's WSPs do not provide guidance about how to identify accounts that are excessively traded. Further, the firm has no reports or alerts designed to identify factors that would indicate excessive trading, instead relying primarily on a daily, manual trade-blotter review. In addition, FINRA determined that the firm and Arnold failed to establish written policies and procedures reasonably designed to achieve compliance with Reg BI. Despite being aware of Reg BI's June 30, 2020, implementation date, Arnold never updated the firm's WSPs to include policies or procedures regarding compliance with its requirements. Therefore, the firm willfully violated Reg BI by failing to comply with its Compliance Obligation.

Arnold's suspension is in effect from November 4, 2024, through February 3, 2025. ([FINRA Case #2022074096804](#))

Firm Fined, Individual Sanctioned

Celadon Financial Group LLC (CRD #36538, Morristown, New Jersey) and Paul Mitchell Waldman (CRD #1885767, Copiague, New York)

October 31, 2024 – An AWC was issued in which the firm was censured and fined \$195,000. Waldman was fined \$5,000 and suspended from association with any FINRA member in any principal capacity for 45 days. Without admitting or denying the findings, the firm and Waldman consented to the sanctions and to the entry of findings that the firm violated Rule 606(a) of Regulation National Market System (NMS) of the Exchange Act when it published quarterly reports that provided inaccurate information about its handling of customers' orders in NMS securities. The findings stated that when the third-party vendor the firm retained to prepare its quarterly Rule 606 reports could not accurately process the firm's trade data, the firm provided the vendor with historical trade data for the fourth quarter of the prior year and the first and second quarters of the current year. The firm published the Rule 606 report without correcting the errors the vendor experienced processing the firm's trade data. As a result, this Rule 606 report provided customers inaccurate information regarding its routing of non-directed orders in NMS securities. The findings also stated that the firm and Waldman failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with Rule 606. The WSPs required Waldman to review quarterly reports for accuracy before the vendor published them, but did not provide guidance on how the review should be conducted, what the review should include, how to identify inaccuracies in the reports, or what to do if the report was not accurate. When conducting his

supervisory review of Rule 606 reports, Waldman randomly selected five trades for comparing the terms of the trades to the execution venue, payment for order flow and material aspects disclosures in the quarterly report. Waldman's random review of five trades per quarter was not reasonably designed to supervise the accuracy and completeness of the firm's disclosures, given that the firm effected approximately 10,000 transactions in NMS stocks each month. Waldman also approved the firm's quarterly reports for publication even though he knew the reports were prepared using historical trade data. The firm later revised its supervisory systems and WSPs. The findings also included that the firm failed to develop and implement a reasonably designed anti-money laundering (AML) program. The firm expanded its business to facilitate the liquidation of low-priced securities and became aware of numerous red flags related to a group of approximately 10 customers who wished to deposit and sell low-priced securities and often transacted in the same low-priced securities. Specifically, when the firm onboarded the customers, it became aware that several of the customers were the subject of news reports indicating possible criminal, civil, and regulatory violations. The firm executed over 3,600 transactions in low-priced securities for the customers for a total principal amount of approximately \$299 million, constituting over 74 percent of the total dollar amount transacted in low-priced securities at the firm and generating approximately \$7.9 million in commissions. Furthermore, the firm's failure to implement an AML program reasonably tailored to its business resulted in it failing to identify, investigate, and report suspicious trading by the customers.

The suspension is in effect from December 2, 2024, through January 15, 2025. ([FINRA Case #2022074778801](#))

Firms Fined

Signet Securities, LLC ([CRD #154198](#), Columbus, Ohio)

October 3, 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 willfully violated Reg BI by failing to maintain, and enforce written policies and procedures, and failed to maintain a supervisory system reasonably designed to achieve compliance with the firm's obligation under Reg BI to conduct reasonable due diligence of private placement offerings so as to ensure it had a reasonable basis to believe the recommendation could be in the best interest of at least some retail investors. The findings stated that the firm recommended sales totaling \$140 million to investors in Regulation D private placement offerings. Some of the sales were to accredited retail investors. At all times, the firm maintained written procedures requiring the firm, when engaging in Regulation D

offerings, to conduct a reasonable investigation of the issuer and its management. Despite these requirements, the firm's due diligence for some of the private placement offerings that the firm recommended and sold was not reasonable. All of the offerings were sold by affiliates of a commercial real estate investment company and the firm's diligence review for these offerings was limited to documents provided by the company. The findings also stated that the firm failed to maintain and enforce a supervisory system reasonably designed to achieve compliance with FINRA rules governing outside business activities (OBAs). In January 2020, registered representatives who were also employed by an affiliate of a company became registered with the firm. The firm and its principals were aware that the representatives engaged in OBAs, including outside activities with the company, and that these activities could create a potential conflict of interest because the firm recommended and sold securities offered by the company to its customers. However, until September 2021, the firm did not require the representatives to provide written notice of the OBA. Therefore, the firm failed to reasonably supervise the OBAs of its registered representatives. Furthermore, when the firm required the representatives, including a fifth representative employed by the company, to provide written notice of the OBA, it did not adequately document that it reasonably considered the factors set forth in FINRA Rule 3270.01 during its review of these disclosures. Specifically, although the firm acknowledged that the outside activities might be viewed by customers or the public as part of the firm's business and that they may involve giving advice or directing investments in securities, they did not consider whether conditions or limitations should be imposed on those outside activities in order to mitigate any potential conflict of interest or customer confusion. The findings also included that the firm willfully violated Section 17(a)(1) and Rule 17a-14 of the Exchange Act and FINRA Rule 2010 by failing to deliver a customer relationship summary (Form CRS) to its customers. The firm then began delivering Form CRS to new customers but failed to deliver Form CRS to any of the firm's existing customers. ([FINRA Case #2021069303201](#))

Citigroup Global Markets Inc. ([CRD #7059](#), New York, New York)

October 7, 2024 – An AWC was issued in which the firm was censured and fined \$1,400,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to collect initial and maintenance margin on over-the-counter (OTC) equity option contracts it entered into with two affiliated entities. The findings stated that prior to this time, the firm calculated margin requirements for OTC equity option contracts with a manually created report. The firm discontinued using the report during a change in management of the firm's Margin Operations team. As a result, the firm had no process to calculate or collect initial or maintenance margin on OTC equity option contracts entered into with the affiliated entities years later when the firm resumed manually calculating margin requirements after discovering its failure to calculate margin. After self-

identifying the failure and the issues described herein, the firm initiated remediation, conducted an internal investigation, and shared the results of that investigation with FINRA. Subsequently, the firm implemented an automated process to calculate margin for OTC equity options entered into with the affiliated entities. The firm's failure to collect margin on OTC equity option contracts it entered into with one affiliated entity resulted in a margin deficiency during a three-month sample period ranging from approximately \$16 million to approximately \$2.2 billion. The firm's failure to collect margin on OTC equity option contracts it entered into with the other affiliated entity resulted in margin deficiencies during the sample period ranging from approximately \$1 million to approximately \$81.1 million. The firm's failure to collect the required margin on OTC equity options conferred a benefit to the firm's affiliates in that they were not required to deposit additional cash or securities. The findings also stated that the firm's extension of credit to its affiliated entities for OTC option transactions violated federal securities laws and FINRA rules. The OTC equity option contracts executed for the firm's affiliated entities improperly occurred in cash accounts. Further, by failing to collect margin on the OTC option transactions held in those accounts, the firm improperly extended credit to the affiliated entities associated with the options trading. The findings also included that the firm's failure to collect margin resulted in inaccurate computation of net capital. By not deducting the margin deficiencies from its net capital computations, the firm overstated its reported net capital. During the three-month sample period, the firm overstated its net capital by as much as \$2.2 billion. FINRA found that the firm's inaccurate computation of net capital and margin resulted in its failure to maintain accurate books and records and filing of inaccurate Financial and Operational Combined Uniform Single (FOCUS) reports. The firm inaccurately calculated its aggregate indebtedness and net capital by not accounting for margin deficiencies associated with OTC equity option contracts with its affiliated entities. As a result, the firm's general ledger and computations of aggregate indebtedness and net capital were inaccurate. In addition, FOCUS reports filed by the firm during this period contained inaccurate computations of net capital. ([FINRA Case #2021070664101](#))

Citadel Securities LLC ([CRD #116797](#), Miami, Florida)

October 9, 2024 – An AWC was issued in which the firm was censured and fined \$1,000,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to timely and/or accurately report data for tens of billions of equity and option order events to the Consolidated Audit Trail (CAT) Central Repository. The findings stated that to prepare to report to CAT the firm developed a proprietary order and trade reporting system, a testing process, and related supervisory procedures designed to comply with the firm's CAT reporting obligations. For over two years from the start of its CAT reporting obligation, the firm inaccurately reported certain data fields for equity and option order events to CAT, spanning 33 unique CAT reporting error types. Subsequently, the firm remediated

these error types it experienced, some of which had persisted from a few weeks to nearly two years. After remediating the 33 error types, the firm identified four additional issues that caused it to fail to timely and/or accurately report certain data fields to CAT for more than two and a half additional years. Ultimately, the firm remediated these issues, and submitted corrections for the events a few months later. The firm's reporting violations were caused by various coding and system issues, issues with data received from third parties, and the firm's interpretation of certain reporting scenarios. The firm identified many of the reporting errors through its supervisory reviews. ([FINRA Case #2020068778601](#))

IMC-Chicago, LLC dba IMC Financial Markets ([CRD #104143](#), Chicago, Illinois)
October 9, 2024 – An AWC was issued in which the firm was censured, fined \$1.2 million, 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 timely and accurately report to the Consolidated Audit Trail (CAT) Central Repository 28.7 billion equity and options order events. The findings stated that the firm's 21.8 billion inaccurate reports were caused by software coding and system issues, which persisted for a period spanning a few weeks to nearly two years, and its 6.9 billion late reports were caused by technology issues involving the firm's connectivity to various exchanges and other broker-dealers. After updating its reporting system, the firm remediated the issues that caused the CAT reporting violations, and has also submitted reports to the CAT Central Repository to correct over 99.9 percent of the late and inaccurate reports. The findings also stated that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with CAT reporting rules. From June 2020 to September 2020, the firm had no supervisory system in place to review the accuracy of the data it reported to CAT, nor did it maintain WSPs concerning its CAT reporting obligation. The firm then began implementing a supervisory system, including WSPs, concerning CAT reporting requirements but the scope of its supervisory review was unreasonably narrow as the firm conducted a quarterly accuracy review of only three complete order cycles. The firm later increased the quarterly accuracy review to one complete order cycle for equities and options for each of the over 10 market centers to which the firm sent orders. The firm subsequently reduced the number of order events that it reviewed per quarter to two order cycles from each of the trading platforms that generated order and trade data that it reported to CAT. The scope and frequency of the firm's supervisory review for CAT reporting compliance was not reasonable given the volume of data that it reported to the CAT Central Repository. ([FINRA Case #2020068719701](#))

CICC US Securities, Inc. ([CRD #143221](#), New York, New York)

October 17, 2024 – An AWC was issued in which the firm was censured and fined \$300,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and implement an AML compliance program that could reasonably be expected to detect and cause the reporting of suspicious transactions. The findings stated that the firm's procedures did not describe the factors to consider when performing surveillance for potential market manipulation, including a description of the potential types of market manipulation or information about how such surveillance should be documented. The firm's compliance program was not tailored to account for its business model and the types of customers and activities it served. The firm maintains omnibus affiliate account relationships in foreign jurisdictions, generates commissions from agency trading for institutional customers that trade in both U.S. and foreign securities, and engages in transactions involving foreign customers opening omnibus accounts. Despite this, the firm did not have a reasonable means of detecting suspicious activity in trades executed on non-U.S. stock exchanges, and as a result, it did not track activity that might have raised red flags of market dominance or manipulation by specific clients. Subsequently, the firm engaged an outside compliance consultant to recommend revisions to its AML procedures and compliance monitoring procedures, has implemented new procedures and training for all employees, and has implemented new surveillance and monitoring alert systems that include monitoring activity executed on certain non-U.S. exchanges. Further, the firm did not reasonably review trades in low-priced securities by firm customers, and the firm's written procedures for monitoring low-priced securities were not tailored towards its business activity and not effectively implemented by its compliance program. The firm later suspended low-priced securities trading and adopted revised WSPs for monitoring and supervising low-priced securities trades. The findings also stated that the firm failed to establish and implement an AML program and supervisory system reasonably designed to detect and cause the reporting of potentially suspicious trading in its stock buyback business. A corporate entity and an individual affiliated with that corporate entity participated in the firm's stock buyback program and repurchased shares of the corporate entity through an omnibus account at the firm's foreign affiliate. Furthermore, the firm was aware that the trades occurred two days before an announcement that increased the corporate entity's share prices. The volume and timing of the trades should have raised red flags for the firm, but it did not take reasonable steps to investigate the activity. The firm later suspended its stock buyback program, then adopted new WSPs for investigating and reporting suspicious activities and implemented new surveillance and monitoring alert systems. The findings also included that the firm did not have a supervisory system or WSPs reasonably designed to ensure trades were accurately marked as "solicited" or "unsolicited." The firm used an Order Management System for processing transactions that had a default setting that automatically marked

every order as “unsolicited.” While it was possible to override the unsolicited tag by manually tagging an order as “solicited,” the firm and its representatives never made use of this functionality. Moreover, the firm had no WSPs for determining whether and when to mark an order as “solicited.” As a result, over 22,000 trades were marked “unsolicited” on the firm’s blotter and trade confirmations. Because the firm had no WSPs and did not conduct any supervisory reviews to ensure that trades were accurately marked, its supervisory system and procedures were not reasonably designed to achieve compliance with its recordkeeping obligations. The firm has since amended its WSPs to include guidance for determining whether a transaction should be marked “solicited.” FINRA also found that the firm permitted three non-registered individuals to serve as authorized signatories for three firm bank accounts. The individuals’ access to the firm’s accounts gave them control over the cash and clearing accounts that comprise most of the firm’s net capital assets. As such, the individuals had the authority and discretion to commit the firm’s capital through authorized signatory access to its bank accounts. The firm later removed the individuals as signatories on bank accounts and revised its WSPs relating to individuals with authority over firm bank accounts to ensure only persons with the appropriate registration would have that authority going forward. ([FINRA Case #2020065116601](#))

Maxim Group LLC ([CRD #120708](#), New York, New York)

October 18, 2024 – An AWC was issued in which the firm was censured and fined \$75,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it published public quarterly reports on its handling of customers’ orders in NMS securities that failed to disclose required information and provided incomplete or inaccurate information. The findings stated that the firm published its report for the fourth quarter of 2019, which did not describe, as required, the rebates it received from certain equities execution venues to which the firm routed customer orders. In addition, with respect to each equities and options execution venue to which it routed customer orders, the firm failed to provide the amount per share or per order received. Furthermore, for its quarterly reports published for the first three quarters of 2020, the firm did not disclose that it received rebates from certain equities execution venues to which the firm routed customer orders. For the firm’s quarterly reports for all four quarters of 2020 and the first quarter of 2021, it did not include the more detailed disclosures required by Rule 606(a) of Regulation NMS with respect to each equities and options execution venue to which it routed customer orders, including the net aggregate amount of any payment for order flow received, payment from any profit-sharing relationship received, transaction fees paid, and transaction rebates received (including a total amount and on a per share basis) for certain order types. In addition, in the firm’s first quarter 2021 report, it inaccurately listed several entities as execution venues that did not serve as execution venues for the firm during that period.

Although FINRA alerted the firm to the deficiencies in its Rule 606(a) reports for the fourth quarter of 2019 and the first quarter of 2020 during the firm's 2020 cycle examination, the firm did not timely remediate the deficiencies. The findings also stated that the firm did not reasonably supervise its Rule 606(a) quarterly reports. The firm's written procedures did not specify who would review the firm's published quarterly reports for compliance with the disclosures required by Rule 606(a), or provide guidance as to how such a review would be conducted, when it would occur, and how it would be documented. In practice, the firm did not analyze its Rule 606(a) reports to determine whether the information disclosed comported with the requirements in the rule. The firm has since completed certain enhancements to its supervisory system for reviewing Rule 606 reports. The remediation that the firm ultimately made included supplementing the firm's Rule 606 policies and procedures, republishing certain Rule 606 reports with updated information, and requiring certain enhancements from the firm's third-party Rule 606 reporting vendor. ([FINRA Case #2020065141401](#))

Fenix Securities, LLC ([CRD #159481](#), New York, New York)

October 21, 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 it permitted foreign individuals to conduct a securities business using the firm's systems when they were not registered with FINRA in any capacity. The findings stated that the firm used the individuals to refer non-US customer accounts to the firm and the individuals then accessed the firm's trading platform and used that access to place trades in customer accounts. The firm issued the individuals representative codes that were used to effect transactions in the referred accounts. The findings also stated that the firm issued trade confirmations that failed to disclose its payment of transaction-based referral fees. The firm paid approximately \$20,000 in transaction-based compensation to a foreign, non-registered entity in connection with transactions for customer accounts that were referred to the firm by foreign individuals associated with the entity. The findings also included that the firm failed to reasonably supervise its business with non-registered foreign individuals who engaged in securities business on the firm's behalf. Despite its routine use of non-registered foreign individuals to direct customers to the firm and place trades using its systems, the firm did not establish or maintain any policies or procedures concerning its registration obligations regarding such foreign individuals, nor did the firm have any procedures that explained the permissible activities of non-registered individuals introducing business to the firm. In addition, until August 2023, the firm's WSPs did not provide any guidance concerning payments of transaction-based compensation, such as commissions, to foreign finders. The firm also did not have any supervisory system

or procedures to review trade confirmations of transactions using foreign finders to ensure that they disclosed foreign finder fees. FINRA found that the firm failed to develop and implement a reasonable AML program. The firm's AML compliance program did not have procedures that could be reasonably expected to detect and cause the reporting of suspicious transactions. The firm's AML program did not have procedures or guidance on how to review for red flags of suspicious transactions. Moreover, rather than reviewing certain exception reports specified in the firm's procedures, the firm conducted a manual review of activity reports that listed basic information about all transactions and did not identify potentially suspicious activity. In addition, the firm's AML compliance program did not develop and implement reasonable risk-based procedures for conducting ongoing customer due diligence, including understanding the nature and purpose of customer relationships for the purpose of developing a customer risk profile; and ongoing monitoring to identify and report suspicious transactions and, on a risk basis, to maintain and update customer information. While the firm's procedures required the firm to conduct risk assessments of new accounts, in practice the firm gave all customers the same "acceptable" risk ranking based on internet and Office of Foreign Assets Control searches conducted only at account opening, without any assessment of the AML risk presented by the customer. The firm also lacked any process to conduct ongoing due diligence of customers, such as reviewing accounts to determine if the account's activities were consistent with the nature and purpose of the account. As a result, multiple firm customers engaged in suspicious securities transactions and made suspicious wire transfer payments without the firm conducting reasonable reviews to detect and report the suspicious activity, despite the presence of red flags, including money movements to entities in bank secrecy havens that the firm failed to review. ([FINRA Case #2019064742001](#))

Interactive Brokers LLC (CRD #36418, Greenwich, Connecticut)

October 22, 2024 – An AWC was issued in which the firm was censured and fined \$475,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it created or increased its segregation deficits for securities by returning borrowed shares when it should not have. The findings stated that the firm incorrectly calculated the number of excess shares of stocks listed on European exchanges it had available to return to customers from whom it had borrowed them as part of the firm's fully paid securities lending program. The firm updated an algorithm it utilized to identify securities for which the firm possessed an excess and was therefore available to be returned to customers from whom it borrowed shares. The firm updated this algorithm for shares traded on European exchanges in a way that resulted in the firm inadvertently creating or increasing its segregation deficits on multiple occasions. The firm relied on anticipated loan return activity in calculating the number of shares in its possession or control, but then failed to receive the expected shares. The firm then relied on

those calculations to return certain shares to customers from whom it had borrowed them. The firm thereby created or increased existing deficits, the sums of which were approximately \$30 million. In these instances, the firm returned to customers fully paid shares that it had borrowed from them via its fully paid securities lending program (and thus stopped paying those customers the applicable daily rate for borrowing those shares) even though the firm should have continued to borrow those shares to avoid creating or increasing a segregation deficit. Following the identification of this algorithm-related issue, the firm updated the algorithm to correctly account for anticipated loan return activity not settling and made restitution to affected customers. The findings also stated that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to comply with its possession and control obligations. The firm's WSPs failed to address how the firm should identify or resolve deficits caused by early returns and did not have a system to detect issues that might cause early returns or deficits as a result of its stock lending program. Furthermore, the firm did not have a registered principal or Operations Professional directly supervise the creation, launch, or testing of the algorithm the firm relied on to identify securities available to be returned. Subsequently, following the discovery of the securities lending algorithm failures, the firm updated its processes and ensured that properly registered persons oversaw the software development for the securities lending program. The findings also included that the firm allowed an unregistered associated person to lead and oversee some software development efforts concerning the firm's securities finance business, including its securities lending program. As securities lending is a covered function, that person was required to have been registered with FINRA as an Operations Professional. Subsequently, the firm placed properly registered persons in charge of the supervision of the firm's software development efforts related to its securities lending program. ([FINRA Case #2021069316201](#))

Sustainable Development Capital, LLC ([CRD #156046](#), New York, New York)

October 23, 2024 – An AWC was issued in which the firm was fined \$2,500, required to certify that it has remediated the issues identified in the AWC and implemented a reasonably designed supervisory system, including WSPs, and required to certify that it completed independent testing of its AML compliance program. A lower fine was imposed after considering, among other things, the firm's revenue and financial resources. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to conduct independent testing of its AML compliance program. The findings stated that the firm did not execute transactions for customers or otherwise hold customer accounts and did not act as an introducing broker with respect to customer accounts. It therefore was required to conduct an independent test of its AML compliance program every other calendar year. The firm last conducted independent testing in 2019 and was required to do so again in 2021, and then again in 2023. However, between 2021 and the present, the

firm failed to conduct independent testing of its AML compliance program, despite receiving previous warnings from FINRA about the need for timely and independent testing. In addition, the firm's written AML procedures failed to require that testing be conducted every two years and by an independent party.
([FINRA Case #2023076997901](#))

ViewTrade Securities, Inc. ([CRD #46987](#), Boca Raton, Florida)

October 23, 2024 – An AWC was issued in which the firm was censured, fined \$40,000, and required to certify 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, maintain, and enforce a supervisory system, including written procedures, reasonably designed to supervise the outside brokerage accounts disclosed by its registered representatives. The findings stated that the firm's written procedures failed to identify any steps the firm would take to verify that it actually received and reviewed duplicate statements for each disclosed outside brokerage account. The procedures also failed to provide guidance regarding how the firm would detect and investigate potential securities violations and did not impose a deadline for reviews to be completed. In practice, the firm did not have a reasonably designed process to ensure that it timely received and reviewed duplicate statements for all disclosed outside accounts. With respect to the receipt of account statements, the firm maintained a tracking spreadsheet, but certain statements were not recorded as having been received, and the firm did not timely follow-up on the missing statements. As a result, the firm failed to timely obtain account statements for certain outside brokerage accounts disclosed by the firm's associated persons. The firm also failed to timely review certain account statements that it received, including some statements that were not reviewed for more than six months after the firm received them. In addition, the firm's system to review duplicate statements was not reasonably designed. The firm's manual review of duplicate statements was performed by a single supervisor, which was unreasonable given the volume of monthly statements subject to review. Further, the manual review did not facilitate identification of patterns of activity over time or across accounts. The firm's review of account statements was also unreasonable because it did not review for certain potential securities violations such as brokers trading ahead of customer orders or front running. ([FINRA Case #2022076186101](#))

HSBC Securities (USA) Inc. ([CRD #19585](#), New York City, New York)

October 29, 2024 – An AWC was issued in which the firm was censured, fined \$125,000, 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 timely report to Trade Reporting

and Compliance Engine (TRACE) transactions in TRACE-eligible corporate debt securities. The findings stated that the firm's late reporting was caused by, among other things, delays associated with the manual handling of orders, such as firm employees entering trades late and making untimely amendments and corrections to transaction terms, and issues related to the manual process required to report transactions in certain foreign debt securities. The findings also stated that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with TRACE reporting requirements. Specifically, the firm's WSPs lacked reasonable guidance for supervisors to address traders' repeated instances of late reporting. The firm identified specific traders responsible for the late reporting but failed to effectively address their pattern of late reporting. The firm's WSPs required supervisors to address and resolve issues with such repeat offenders but provided no guidance on how to do so. ([FINRA Case #2021071423301](#))

Individuals Barred

Rajesh Markan (CRD #4553309, Mansfield, Texas)

October 1, 2024 – An AWC was issued in which Markan was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Markan consented to the sanction and to the entry of findings that he refused to provide documents and information requested by FINRA as a part of its investigation into the circumstances giving rise to a Uniform Termination Notice for Securities Industry Registration (Form U5) filed by his member firm. The findings stated that the Form U5 disclosed that Markan was under internal review at the firm for fraud or wrongful taking of property, or violating investment-related statutes, regulations, rules or industry standards of conduct. ([FINRA Case #2024083048001](#))

Daniella R. Rand (CRD #4321414, San Francisco, California)

October 1, 2024 – An AWC was issued in which Rand was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Rand consented to the sanction and to the entry of findings that she refused to produce documents and information requested by FINRA in connection with an investigation originated from a Form U5 filed by her member firm. The findings stated that the Form U5 disclosed that the firm discharged Rand for failures to report a judgment and comply with a heightened plan. ([FINRA Case #2023080140101](#))

Elan Sanker (CRD #5580543, Philadelphia, Pennsylvania)

October 4, 2024 – An AWC was issued in which Sanker was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Sanker 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 an

investigation that originated from FINRA's review of a Form U5 submitted by his member firm. The findings stated that the Form U5 disclosed that Sanker had been discharged for conduct including entering into a financial arrangement with a client; failure to disclose an OBA; and using a personal device for business purposes. ([FINRA Case #2023079098201](#))

Gary Francis Harpe ([CRD #2983634](#), Northville, Michigan)

October 7, 2024 – An Office of Hearing Officers (OHO) decision became final in which Harpe was barred from association with any FINRA member in all capacities. The sanction was based on the findings that Harpe failed to provide documents and information requested by FINRA in connection with its investigation into the circumstances of his termination after his member firm filed a Form U5 disclosing that it had discharged him based on a criminal disclosure. The findings stated that FINRA sought information from Harpe regarding the nature of the criminal charge, as well as potential bankruptcies, judgments and liens filed against him. Harpe's failure to respond to the requests for documents and information significantly impeded the investigation because it deprived FINRA of material information. ([FINRA Case #2023077591501](#))

Jeffrey Arthur Perryman ([CRD #2019969](#), Severance, Colorado)

October 7, 2024 – An AWC was issued in which Perryman was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Perryman 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 into his potential undisclosed OBAs, including charging fees to a customer for services that he failed to disclose to his member firm. ([FINRA Case #2024082109701](#))

Robert Anthony Daly ([CRD #3111426](#), Los Angeles, California)

October 8, 2024 – An AWC was issued in which Daly was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Daly consented to the sanction and to the entry of findings that he refused to produce information and documents requested by FINRA during an investigation that originated from a regulatory tip it received related to possible undisclosed private securities transactions. ([FINRA Case #2023080385501](#))

Kimberly Ann Clark ([CRD #4312757](#), Columbia, Pennsylvania)

October 9, 2024 – An AWC was issued in which Clark was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Clark consented to the sanction and to the entry of findings that she refused to provide documents and information requested by FINRA in connection with its investigation into the circumstances giving rise to an amended Form U5 filed by her former member firm. The finding stated that the firm amended Clark's Form U5 to disclose that she resigned while under review related to alleged misuse of funds associated with an OBA. ([FINRA Case #2024081388501](#))

Michael Lancaster (CRD #6992330, Lincoln, Nebraska)

October 9, 2024 – An AWC was issued in which Lancaster was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Lancaster consented to the sanction and to the entry of findings that he refused to produce written information and documents requested by FINRA in connection with its investigation surrounding his termination from his member firm. The findings stated that this matter originated from FINRA's review of a Form U5 filed by Lancaster's firm stating that he was discharged due to concerns he did not adhere to the firm's complaints policy. ([FINRA Case #2024081173101](#))

Thomas James Baumann (CRD #5254392, Freeport, New York)

October 15, 2024 – An OHO decision became final in which Baumann was barred from association with any FINRA member in all capacities. The sanction was based on findings that Baumann failed to provide documents and information requested by FINRA in connection with its investigation that focused on his potentially excessive and unsuitable trading in customer accounts at his member firm. The findings stated that during this investigation, Baumann initially appeared for three on-the-record interviews. Subsequently, his firm filed an amended Form U5 disclosing potentially unauthorized trading by Baumann in another customer account, not one of the customers then under review. Further investigating Baumann's trading in this newly disclosed customer account, FINRA issued the information requests relevant here. However, Baumann failed to respond to those requests. FINRA needed the information it sought from Baumann to investigate potentially unauthorized trading by him in a customer account, unknown to the FINRA when it originally took Baumann's testimony in the earlier stage of the investigation, when the focus was on whether he had traded excessively in other customer accounts. FINRA needed the information it sought from Baumann—evidence of his communications with the customer—to determine if Baumann could explain his trading in the account. These were essential elements for FINRA to make a determination of whether Baumann traded in the account without authorization. By not responding to the requests, Baumann frustrated FINRA's effort to gather the facts to complete the investigation. ([FINRA Case #2018056490310](#))

Mark Gilbert Beesley (CRD #5362689, Alexandria, Virginia)

October 17, 2024 – An AWC was issued in which Beesley was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Beesley consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with an investigation concerning whether he had engaged in undisclosed OBAs. ([FINRA Case #2023079291701](#))

Kittiany Davis Barrios (CRD #6941840, Cliffwood, New Jersey)

October 17, 2024 – An AWC was issued in which Davis Barrios was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Davis Barrios consented to the sanction and to the entry of findings that she refused to provide documents and information or to appear for on-the-record testimony requested by FINRA in connection with an investigation. The findings stated that the investigation originated from receipt of a FINRA Rule 4530(f) filing made by Davis Barrios' member firm that disclosed a civil complaint filed by a firm customer against the firm. Although Davis Barrios initially cooperated with FINRA's investigation, she ultimately ceased doing so. ([FINRA Case #2023080015802](#))

Sanford Graham Simmons (CRD #1018907, Scottsdale, Arizona)

October 17, 2024 – An AWC was issued in which Simmons was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Simmons consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with an ongoing investigation that originated from a cause examination. ([FINRA Case #2021071851101](#))

Cole Schmitz (CRD #7400235, San Francisco, California)

October 21, 2024 – An AWC was issued in which Schmitz was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Schmitz consented to the sanction and to the entry of findings that he refused to provide documents and information and appear for on-the-record testimony as requested by FINRA in connection with its investigation originating from a Form U5 filing by his member firm. The findings stated that the Form U5 stated that Schmitz voluntarily resigned while under internal review by his firm to investigate whether he violated firm policies related to obtaining client electronic signatures. After Schmitz failed to substantially comply with FINRA's request, it sent a request for documents and information, and a request for on-the-record testimony. ([FINRA Case #2023078409001](#))

Eric Steven Smith (CRD #2894648, Waterford, Michigan)

October 21, 2024 – Smith appealed an SEC decision to the US Court of Appeals for the Sixth Circuit. Smith was barred from association with any FINRA member in all capacities and ordered to pay \$130,000, plus prejudgment interest, in restitution to investors. The restitution and prejudgment interest are to be paid jointly and severally with his member firm. Considering the bar, additional sanctions were assessed but were not imposed. The SEC sustained the findings and sanctions imposed by the NAC. The sanctions were based on the findings that Smith willfully violated Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 thereunder, and FINRA Rules 2020 and 2010 by fraudulently misrepresenting and omitting

material facts in connection with the sale of securities. The findings stated that Smith engaged in acts of fraud over an extended period involving investors who lost the entirety of their investments. Smith solicited a minimum of 15 people to invest in a bridge loan note offering; of those, four people invested \$130,000 in the offering. Smith intentionally failed to disclose the critical fact that his member firm owed prior investors hundreds of thousands of dollars that it could not repay. Smith was desperate to raise funds for the firm, which was also struggling to pay its employees and remain viable. In addition, Smith knew or was reckless in not knowing that his representations about the firm's financial prospects were unfounded and would persuade investors to purchase the offering. Smith continued to solicit investors when it was obvious that his claims in the offering materials touting a special purpose bank and the purportedly pending engagements with a trust company and the city of Jacksonville, Florida, were false. Later, one of the investors requested a refund from Smith of his investment after he had not received documents related to his investment. Smith told the investor that he had no present ability to refund his money and attempted to assuage the investor's concerns by claiming without support that the firm's assets far exceed its total debt. Smith's fraudulent omission and misrepresentations resulted not only in the potential for monetary gain, but \$130,000 in actual gain for Smith and the firm for his sales to the investors. The findings also stated that Smith actively engaged in a multitude of activities as a principal and representative despite his lack of registration. Smith knew that he was required to register as a principal to manage the firm's day-to-day securities business. Smith acknowledged in the firm's new member application form (Form NMA) that he was exempt from registration only if he was not actively engaged in the firm's management. However, Smith was active in most every aspect of firm management. Smith also acted as a representative without oversight when he directly, and through other firm representatives, solicited firm customers to invest in the firm's debt offerings. These solicitations resulted in some firm customers investing in firm offerings and provided the firm with much-needed cash infusions. Thus, Smith had the potential for monetary gain from these investments that served to keep his business afloat.

The sanctions, except for the bar, are not in effect pending review.
([FINRA Case #2015043646501](#))

Kenneth Joseph Judd (CRD #7110607, Lucas, Texas)

October 22, 2024 – An AWC was issued in which Judd was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Judd 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 conduct described in an amended Form U5 filed by his member firm. The findings stated that the amended Form U5 stated that Judd had been permitted to resign after he failed to respond to an audit request shortly after conducting a Reg D Offering. ([FINRA Case #2024080225701](#))

Steven Patrick McCormick (CRD #5059233, Simi Valley, California)

October 22, 2024 – An AWC was issued in which McCormick was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, McCormick 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. ([FINRA Case #2023077823001](#))

Jonathan Neil Vagle (CRD #4056836, Roseau, Minnesota)

October 23, 2024 – An AWC was issued in which Vagle was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Vagle consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with an investigation into the circumstances of his termination from his member firm. The findings stated that the firm submitted a Form U5 disclosing that Vagle had been discharged after affiliate life insurance and property/casualty insurance companies terminated his contract for failure to follow the company's protocols regarding insurance premium payments and client signatures. ([FINRA Case #2024082145701](#))

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

October 25, 2024 – An OHO decision became final in which Francis was barred from association with any FINRA member in all capacities. The sanction was based on findings that Francis failed to provide documents and information requested by FINRA in connection with its investigation of his alleged use of his member firm's corporate credit card to pay personal expenses. The findings stated that FINRA commenced the investigation of Francis after the firm filed a Form U5 disclosing that it had discharged Francis due to his personal use of a corporate credit card. Among other things, FINRA sought a detailed statement addressing the merits of the allegations on the Form U5, an explanation for each of the alleged personal charges on the firm's corporate credit card, and any documents supporting his explanations. Francis' failure to provide the information requested deprived FINRA of key information and documents pertaining to his alleged conduct and prevented FINRA from fully investigating the matter. ([FINRA Case #2023078168101](#))

Kelln Beth Small (CRD #4370485, Lorena, Texas)

October 28, 2024 – An AWC was issued in which Small was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Small consented to the sanction and to the entry of findings that she refused to appear for on-the-record testimony requested by FINRA in connection with its investigation concerning her alleged forgery and falsification of certain customers' insurance documents. ([FINRA Case #2023079789501](#))

Suzanne Marie Capellini ([CRD #1357703](#), New York, New York)

October 30, 2024 – Capellini appealed a NAC decision to the SEC. The NAC barred Capellini from association with any FINRA member in all capacities. The NAC modified the findings and sanctions imposed by the OHO. For Capellini’s AML violations, the Hearing Panel assessed, but did not impose, a \$25,000 fine, a two-year suspension in all principal and supervisory capacities, and a requirement that she requalify by examination as a principal. The NAC found the OHO’s sanctions did not adequately reflect the egregiousness of Capellini’s misconduct and imposed a bar in all capacities for these violations. This sanction was based on findings that Capellini failed to establish and implement an AML program reasonably designed to detect and report suspicious low-priced securities activity and failed to detect, investigate, and consider whether to report numerous red flags of suspicious activity. While trading in low-priced securities was a small portion of her firm’s overall business, Capellini’s failures were systemic and widespread, encompassing all low-priced securities activity at the firm. In addition, Capellini’s misconduct led to the potential for her own monetary gain because more than \$360,000 in proceeds her husband generated from his deposits and sales of low-priced securities were used to pay the couple’s household expenses. Capellini’s misconduct demonstrated a lack of understanding of the AML rules and her duties as an AML compliance officer. The NAC also barred Capellini for violations of FINRA Rules 8210 and 2010. This sanction was based on the findings that Capellini provided false and misleading responses and an altered document in response to FINRA investigative requests with respect to low-priced securities trading activity in accounts held by her husband at her member firm. The findings stated that Capellini produced documents in response to FINRA’s request for due diligence without disclosing that they were not in fact a part of the firm’s due diligence, but rather obtained after Capellini received the requests. In addition, the evidence established that Capellini altered one document before providing it to FINRA. The NAC found that Capellini acted intentionally to mislead FINRA and continued to disavow responsibility for her actions even up through the hearing. The NAC reversed and dismissed one portion of the Hearing Panel findings with respect to a request for information from FINRA and declined to impose liability based on Capellini’s response to this request.

The bar is in effect pending review. ([FINRA Case #2020066627202](#))

Individuals Suspended

Amina Kennedy (CRD #6308000, Flushing, New York)

October 1, 2024 – An AWC was issued in which Kennedy was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Kennedy consented to the sanctions and to the entry of findings that she certified to the State of New York that she had personally completed 18 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 October 7, 2024, through November 6, 2024. ([FINRA Case #2023079728101](#))

David Allen Gibbs (CRD #2917334, West Chester, Pennsylvania)

October 2, 2024 – An AWC was issued in which Gibbs was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Gibbs consented to the sanctions and to the entry of findings that he borrowed \$780,000 from a personal friend, who was also a customer of his member firm, without notifying or obtaining written approval from the firm. The findings stated that the loan was memorialized in a promissory note requiring monthly payments with interest for a 30-year term. Gibbs has made timely monthly payments, as well as principal payments of approximately \$550,000, under the loan. The customer has not complained about the loan. In addition, Gibbs submitted compliance attestations to his firm in which he falsely represented that he had not borrowed money from any of his clients other than immediate family members.

The suspension is in effect from in effect from October 21, 2024, through January 20, 2025. ([FINRA Case #2023079817501](#))

Richard Dean Connally (CRD #2570561, Ellsworth, Kansas)

October 3, 2024 – An AWC was issued in which Connally was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for one year. Without admitting or denying the findings, Connally consented to the sanctions and to the entry of findings that he forged or falsified customer signatures on hundreds of insurance account documents while working both as a registered representative for his member firm and as an insurance agent for an affiliated life insurance company. The finding stated that these documents included insurance applications, money movement forms, change of beneficiary requests, policy service requests, and various verification forms submitted to the insurance company. The transactions and services requested in these documents were authorized by the customers, and none of the customers complained. Connally also falsely attested on annual compliance questionnaires that he complied with the firm's policy prohibiting him from signing a customer's name to any document.

The suspension is in effect from October 7, 2024, through October 6, 2025. ([FINRA Case #2022076895001](#))

Taulant Matthew Kodi (CRD #7091117, Hollis, New York)

October 3, 2024 – An AWC was issued in which Kodi 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, Kodi 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 October 7, 2024, through November 6, 2024. ([FINRA Case #2023079740601](#))

Christian Scalia (CRD #7616259, Massapequa, New York)

October 3, 2024 – An AWC was issued in which Scalia was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for two years. Without admitting or denying the findings, Scalia consented to the sanctions and to the entry of findings that on two separate occasions he possessed unauthorized materials while taking the Securities Industry Essentials (SIE) examination. The findings stated that Scalia took the SIE examinations at his residence using a remote delivery platform. Prior to beginning each examination, Scalia attested that he had reviewed and would abide by the SIE Rules of Conduct, which prohibited the use or attempted use of personal items during the examination, including cellular phones. However, during both examinations, Scalia possessed and repeatedly accessed his cellular phone.

The suspension is in effect from October 7, 2024, through October 6, 2026. ([FINRA Case #2024081392301](#))

Jeremy Dillon Baldwin (CRD #5743175, Oklahoma City, Oklahoma)

October 4, 2024 – An AWC was issued in which Baldwin was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for five months. Without admitting or denying the findings, Baldwin consented to the sanctions and to the entry of findings that he engaged in an OBA by acting as an investment advisor for a 401(k) plan without providing prior written notice to his member firm. The findings stated that Baldwin received compensation from the 401(k) sponsor for the services he provided, including facilitating employee enrollment and acting as an intermediary between the sponsor and the 401(k) provider and administrator. Baldwin also falsely attested that he did not have any undisclosed OBAs on annual firm questionnaires. The findings also stated that Baldwin falsified firm records when he completed two annual compliance questionnaires for another representative and submitted them to the firm. Although Baldwin completed and submitted the questionnaires at the representative's request, the representative did not review the questionnaires for accuracy or

completeness prior to their submission. Baldwin thus created the false impression that the registered representative had completed the questionnaires.

The suspension is in effect from October 7, 2024, through March 6, 2025.

[\(FINRA Case #2022077410701\)](#)

Nathan Elliot Lemberg (CRD #5955295, Port Jefferson Station, New York)

October 4, 2024 – An AWC was issued in which Lemberg was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Lemberg 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 November 4, 2024, through December 3, 2024.

[\(FINRA Case #2023079709101\)](#)

George Apolonides aka George Apollo (CRD #3101928, Brooklyn, New York)

October 8, 2024 – An AWC was issued in which Apolonides was suspended from association with any FINRA member in all capacities for 11 months. In light of Apolonides financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Apolonides consented to the sanction and to the entry of findings that he willfully violated the Best Interest Obligation under Reg BI by recommending a series of trades in customer accounts, three of whom were senior customers, which was excessive, unsuitable, and not in the customers' best interests. The findings stated that Apolonides' customers relied on his advice and routinely followed his recommendations and, as a result, Apolonides exercised de facto control over the customers' accounts. Apolonides' trading in the customer accounts generated total trading costs of \$618,911, including \$563,263 in commissions, and caused \$735,376 in total realized losses.

The suspension is in effect from October 21, 2024, through September 20, 2025.

[\(FINRA Case #2018056490318\)](#)

Vincent Edward Catanzaro (CRD #2566951, Franklin Square, New York)

October 8, 2024 – An AWC was issued in which Catanzaro was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Catanzaro 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 November 4, 2024, through December 3, 2024.

[\(FINRA Case #2024081396701\)](#)

Feng Kou Chen ([CRD #6424082](#), San Jose, California)

October 8, 2024 – An AWC was issued in which Chen was suspended from association with any FINRA member in all capacities for 20 months and required to satisfactorily complete 20 hours of continuing education regarding discretionary trading within 60 days of his reassociation with a FINRA member firm. In light of Chen's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Chen consented to the sanction and to the entry of findings that he falsified information on customer account forms by adding his own name as beneficiary to the accounts without the customers' knowledge or consent or his member firm's approval. The findings stated that in doing so, Chen falsely identified himself as a friend or relative of the customers on the required forms. Subsequently, the firm detected Chen's misconduct and removed him as beneficiary from the accounts. The findings also stated that without the customers' prior authorization, Chen sold mutual funds in customer accounts totaling more than \$1.9 million and purchased Unit Investment Trusts (UITs) for customer accounts totaling more than \$1.7 million.

The suspension is in effect from October 21, 2024, through June 20, 2026.
([FINRA Case #2022076913301](#))

Kevin Patrick Kuhl ([CRD #6289249](#), Victoria, Minnesota)

October 8, 2024 – An AWC was issued in which Kuhl was fined \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Kuhl consented to the sanctions and to the entry of findings that he falsified customer signatures by electronically signing documents on the behalf of customers, some of whom were seniors, with their permission. The findings stated that the documents included account applications and money movement forms and were required books and records of his member firm. None of the customers complained. In addition, Kuhl falsely attested to his firm on compliance questionnaires that he had not signed or affixed another person's signature on a document. The findings also stated that Kuhl caused his firm to maintain inaccurate books and records.

The suspension is in effect from November 4, 2024, through January 3, 2025.
([FINRA Case #2022075368101](#))

Kyle Infinite Manning ([CRD #4571317](#), Hicksville, New York)

October 8, 2024 – An AWC was issued in which Manning was suspended from association with any FINRA member in all capacities for 17 months. In light of Manning's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Manning consented to the sanction and to the entry of findings that he willfully violated the Best Interest Obligation under Reg BI by recommending a series of trades in three senior customers' accounts, which was excessive, unsuitable, and not in the customers' best interests. The findings

stated that Manning's customers relied on his advice and routinely followed his recommendations and, as a result, he exercised de facto control over the customers' accounts. Manning's trading in the customer accounts resulted in total trading costs of \$1,625,977, including \$1,477,893 in commissions, and caused \$1,101,277 in total realized losses. As part of a multi-claimant, multi-respondent proceeding, one customer settled an arbitration filed against Manning and his member firm, alleging, among other things, quantitative unsuitability.

The suspension is in effect from October 21, 2024, through March 20, 2026.
([FINRA Case #2018056490317](#))

Lawrence Merl ([CRD #2443190](#), Rye Brook, New York)

October 8, 2024 – An AWC was issued in which Merl was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in all capacities for six months, and ordered to pay deferred disgorgement of commissions received in the amount of \$153,475.73, plus interest. Without admitting or denying the findings, Merl consented to the sanctions and to the entry of findings that he unsuitably recommended that four customer households invest in illiquid limited partnerships formed to acquire and develop oil and gas properties without having a reasonable basis to believe the investments were suitable for the customers based on their investment profiles. The findings stated that the investors in the customer households to whom Merl made unsuitable recommendations to were seniors and generally retired and seeking low-risk investments to provide monthly income. Merl received \$153,475.73 in commissions from these investments.

The suspension is in effect from October 21, 2024, through April 20, 2025.
([FINRA Case #2019063686208](#))

Kostas Tsamos aka Gus Tsamos ([CRD #2782014](#), Commack, New York)

October 8, 2024 – An AWC was issued in which Tsamos was suspended from association with any FINRA member in all capacities for 17 months. In light of Tsamos' financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Tsamos consented to the sanction and to the entry of findings that he willfully violated the Best Interest Obligation under Reg BI by recommending a series of trades in customers' accounts, four of whom were senior customers, which was excessive, unsuitable, and not in the customers' best interests. The findings stated that Tsamos' customers relied on his advice and routinely followed his recommendations and, as a result, he exercised de facto control over the customers' accounts. Tsamos' trading in the customer accounts resulted in total trading costs of \$958,948, including \$849,576 in commissions, and caused over \$1.03 million in total realized losses.

The suspension is in effect from October 21, 2024, through March 20, 2026.
([FINRA Case #2018056490316](#))

George Herman Snyder IV ([CRD #4276539](#), Springfield, Missouri)

October 11, 2024 – An AWC was issued in which Snyder was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in all capacities for five months, and ordered to pay deferred disgorgement of commissions received in the amount of \$3,699.03, plus interest. Without admitting or denying the findings, Snyder consented to the sanctions and to the entry of findings that he willfully violated Reg BI by recommending that 13 retail customers make purchases of securities without having a sufficient understanding of the risks and features associated with the products he recommended, and without analyzing whether the recommendations were in the best interest of his customers. The findings stated that Snyder recommend the customers invest in leveraged exchange traded funds, also known as Non-Traditional Exchange-Traded Products (NT-ETPs). In addition, Snyder recommended that 11 customers, including almost half of the 13 customers, invest in equity securities of two companies engaged in crypto asset mining. Snyder did not have an understanding of the features and risks associated with the investments, including the holding-period risk of NT-ETPs or the volatility of the commended stocks, and he was unfamiliar with the strategies or relative costs of the product he recommended. Snyder's customers had minimal or no experience investing in these products, and he did not consider his customers' specific investment profiles. Six of the customers were senior investors, two of whom had a moderate risk tolerance, and five additional customers had conservative or moderate risk tolerances. The customers who purchased the recommended stocks suffered total realized losses of approximately \$30,000. Snyder's member firm offered rescission of the transactions to each of the customers. Snyder received total commissions of \$3,699.03 in connection with all of his customers' purchases. The findings also stated that Snyder caused his firm to make and preserve inaccurate books and records by mismarking order tickets associated with the recommendations he made as unsolicited when he had solicited the trades. The findings also included that Snyder exercised discretion without written authorization when effecting six of the transactions. The customers had given Snyder implied authority to exercise discretion in their accounts, but his firm's WSPs prohibited discretionary trading in brokerage accounts.

The suspension is in effect from October 21, 2024, through March 20, 2025.
([FINRA Case #2022076795001](#))

Ivanhoe Vincent Ffriend, ([CRD #1013083](#), New Rochelle, New York)

October 14, 2024 – An AWC was issued in which Ffriend was fined \$7,500 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Ffriend 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 as unsolicited order tickets for equity transactions that he recommended to his customers. The findings stated that because Ffriend recommended the transactions, he should have marked the

order tickets as solicited. The findings also stated that Ffriend exercised discretion without written authorization in customer accounts. Ffriend did not first speak to the customer prior to execution on the day of the transactions. Although the customers understood Ffriend was exercising discretion in their accounts, Ffriend did not have prior written authorization to do so from any of the customers. In addition, Ffriend's firm did not accept the accounts as discretionary.

The suspension is in effect from November 4, 2024, through February 3, 2025.
([FINRA Case #2021072533901](#))

Harold Edward Klein ([CRD #1021759](#), Long Beach, California)

October 15, 2024 – An AWC was issued in which Klein was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Klein consented to the sanctions and to the entry of findings that he caused his member firm to maintain inaccurate books and records by falsifying the electronic signatures of 58 customers, 46 of whom were seniors, on account documents. The finding stated that the documents signed by Klein, which included account applications, account feature forms, and account transfer forms, were required books and records of the firm. None of the customers complained and the transactions were authorized. In addition, Klein incorrectly attested to the firm on compliance questionnaires that he had not signed or affixed another person's signature on a document.

The suspension is in effect from November 4, 2024, through February 3, 2025.
([FINRA Case #2021071463401](#))

Blaine Robert Stahlman ([CRD #1189213](#), Castle Rock, Colorado)

October 16, 2024 – An AWC was issued in which Stahlman was fined \$15,000, suspended from association with any FINRA member in any principal capacity for six months, and required to attend and satisfactorily complete 24 hours of continuing education concerning supervisory and recordkeeping responsibilities. Without admitting or denying the findings, Stahlman consented to the sanctions and to the entry of findings that he failed to reasonably supervise a registered representative's recommendations of a speculative, unrated debt security, corporate bonds offered by a publicly traded financial services company, to retail customers. The findings stated that the representative sold a total of \$494,000 of bonds to the customers, where the sales were not suitable or in the best interests of the customers given their investment profiles. Stahlman was the representative's direct supervisor, and approved each sale of the bonds after reviewing the application documents. Stahlman was aware from the application documents that each of the customers had a moderate risk tolerance, an investment objective other than speculation, and that most had no or limited experience with alternative investments. Stahlman was also aware that three of the customers were seniors. Furthermore, the representative

had shared concerns with Stahlman that the company's business model was not viable and could fail, but Stahlman nevertheless continued to approve the sales of the bonds to customers without exercising any additional supervisory scrutiny with respect to the company's business. The findings also stated that Stahlman failed to retain and review that representative's business-related email communications, despite knowing that the representative was using non-firm email for securities business purposes. Stahlman was aware that the representative routinely engaged in email communication from an outside, personal email account about the firm's securities business, including communications with customers and with representatives of the company. However, Stahlman did not take reasonable steps to ensure that the representative's business-related electronic communications were preserved as part of the firm's books and records or subjected to supervisory review.

The suspension is in effect from November 4, 2024, through May 3, 2025.

[\(FINRA Case #2021069380601\)](#)

Shawn Michael Tyler (CRD #5042677, Tulsa, Oklahoma)

October 16, 2024 – An AWC was issued in which Tyler was fined \$5,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Tyler consented to the sanctions and to the entry of findings that he caused his member firm's books and records to be inaccurate by falsifying documents relating to two senior customers by electronically signing both customers' names to forms and, for one of the customers, reusing signature pages and adding false dates to signature pages.

The suspension is in effect from November 18, 2024, through January 1, 2025.

[\(FINRA Case #2023079152401\)](#)

Thomas Kuchta (CRD #7503797, Kalamazoo, Michigan)

October 17, 2024 – An AWC was issued in which Kuchta was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Kuchta consented to the sanctions and to the entry of findings that he failed to disclose to, and obtain written consent from, his member firm to maintain three separate brokerage accounts with two member firms other than his own within 30 days of becoming associated with his firm. The findings stated that Kuchta failed to provide written notification to the other firms of his association with his firm. In addition, Kuchta certified to the firm that he read its policies and had no outside brokerage accounts to disclose. Kuchta also used two of the undisclosed brokerage accounts to transact in exchange-traded funds (ETFs) that were heavily weighted in underlying securities in which he was prohibited from transacting under the firm's policies. The findings also stated that Kuchta opened a fourth outside brokerage account, with a different member firm, without obtaining his firm's prior consent.

The suspension is in effect from October 21, 2024, through April 20, 2025.

[\(FINRA Case #2023078183801\)](#)

Vincent Connor Fuchs ([CRD #6602274](#), Austin, Texas)

October 21, 2024 – An AWC was issued in which Fuchs was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Fuchs consented to the sanctions and to the entry of findings that he participated in an OBA without providing prior written notice to, or receiving prior approval from, his member firms. The findings state that Fuchs assisted with fundraising and strategic planning for two related companies. Among other things, Fuchs either contacted or met with multiple individuals, including at least one customer of his firm, to provide information about the companies and their business. For his OBA, Fuchs communicated using an email address provided by the companies' founder, which included a signature block identifying Fuchs as an executive affiliated with one of the companies, in addition to using a personal email address. In anticipation of receiving compensation for his OBA, Fuchs discussed an equity stake in one of the companies and agreed to be enrolled in payroll software.

The suspension was in effect from October 21, 2024, through December 4, 2024. ([FINRA Case #2023077754401](#))

Colton Wade Jacob ([CRD #6602283](#), Austin, Texas)

October 21, 2024 – An AWC was issued in which Jacob was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Jacob consented to the sanctions and to the entry of findings that he participated in an OBA without providing prior written notice to, or receiving prior approval from, his member firms. The findings state that Jacob assisted with fundraising and strategic planning for two related companies. Among other things, Jacob either contacted or met with multiple individuals, including at least one customer of his firm, to provide information about the companies and their business. For his OBA, Jacob communicated using an email address provided by the companies' founder, which included a signature block identifying Jacob as an executive affiliated with one of the companies, in addition to using a personal email address. In anticipation of receiving compensation for his OBA, Jacob discussed an equity stake in one of the companies and agreed to be enrolled in payroll software.

The suspension was in effect from October 21, 2024, through December 4, 2024. ([FINRA Case #2023077754402](#))

William Lee Campbell ([CRD #1180015](#), Peekskill, New York)

October 22, 2024 – An AWC was issued in which Campbell was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in all capacities for nine months, and ordered to pay deferred disgorgement of commissions received in the amount of \$28,904.40, plus interest. Without admitting or denying the findings, Campbell consented to the sanctions and to the entry of findings that

he unsuitably recommended that five customer households, which included multiple seniors, invest in limited partnerships formed to acquire and develop oil and gas properties without having a reasonable basis to believe the investments were suitable for the customers based on their investment profiles. The findings stated that the customer households were all seeking low-risk investments to provide monthly income. However, according to the limited partnerships' prospectuses, investments in the partnerships involved a "high degree of risk," and these limited partnership interests were appropriate only for investors willing and able to assume the risk of a "speculative, illiquid, and long-term investment." Campbell received \$28,904.40 in commissions from the households' investments in the limited partnerships.

The suspension is in effect from October 22, 2024, through July 21, 2025.
([FINRA Case #2019063686209](#))

Jesse Brett Butler (CRD #4260239, Evansville, Indiana)

October 23, 2024 – An AWC was issued in which Butler was fined \$5,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Butler consented to the sanctions and to the entry of findings that he borrowed \$1,175,000 from five of his customers while associated with his member firm. The findings stated that Butler did not disclose the loans to, or receive approval from, his firm. Although one loan came from immediate family members, that loan was prohibited under the firm's policies because Butler did not disclose it to the firm or obtain its approval. Butler also responded falsely on five annual firm compliance questionnaires that he had not borrowed money from any customers.

The suspension is in effect from November 4, 2024, through March 3, 2025.
([FINRA Case #2022077235401](#))

Christopher J. Shaw (CRD #5011382, Belmont, North Carolina)

October 23, 2024 – An AWC was issued in which Shaw was assessed a deferred fine of \$5,000, suspended from association with any FINRA member in all capacities for three months, and ordered to pay \$16,357.60, plus interest, in restitution to a customer in the total amount of the commission he received. In light of Shaw's financial status, restitution to the customer shall be payable on a schedule. The amount of restitution is equal to the portion of the commissions received by Shaw for purchases in an alternative asset management firm by the customer, who did not previously settle a claim with Shaw's member firm. Additional customers settled arbitrations filed against the firm, alleging, among other things, that the investments in the management firm Shaw recommended and sold were unsuitable. Without admitting or denying the findings, Shaw consented to the sanctions and

to the entry of findings that he made unsuitable recommendations of alternative investments to senior customers. The findings stated that Shaw recommended and sold the management firm limited partnership interests to the customers, none of whom were accredited investors, for whom those investments were unsuitable in light of their investment profiles, including their annual incomes and net worths. In addition, as a result of Shaw's recommendations, each customer's combined holdings of alternative investments, including in the management firm, exceeded 30 percent of the customer's liquid net worth. Shaw's recommendations to purchase the management firm's limited partnership interests to these customers were unsuitable based on the customers' age, income, net worth, risk tolerance, and because they were not accredited investors. In addition, Shaw's recommendations were unsuitable because they resulted in a level of concentration of the customers' liquid net worth in alternative investments that was not suitable for their investment profiles. Subsequently, the SEC filed a complaint against the management firm and others alleging, among other things, that the defendants engaged in securities fraud in violation of Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder. (Case No. 1:21-cv-00583, E.D.N.Y.). The United States Department of Justice also brought criminal charges against the management firm's founder and chief executive officer (CEO) and two other executives, charging, among other things, securities fraud, mail fraud and wire fraud. (Case No. 1:21-cr-54, E.D.N.Y.). Later, one of the management firm's former executives pled guilty to wire fraud. Ultimately, a federal jury found the management firm's founder and CEO, along with the other former executive, guilty on all counts.

The suspension is in effect from November 4, 2024, through February 3, 2025. ([FINRA Case #2018060897304](#))

Victor Alan Lessinger (CRD #830821, Coral Springs, Florida)

October 28, 2024 – An AWC was issued in which Lessinger was assessed a deferred fine of \$5,000, suspended from association with any FINRA member in all capacities for three months, and ordered to pay \$5,029.85, plus interest, in deferred restitution to a customer. Without admitting or denying the findings, Lessinger consented to the sanctions and to the entry of findings that he willfully violated Reg BI by recommending that a retail customer invest in three high-risk closed-end management investment companies (closed-end funds) that were not in the customer's best interest based on her investment profile. The findings stated that the customer, who is a senior, reported that she had limited investment experience, annual income of less than \$25,000, and a net worth between \$50,000 and \$99,999. The customer also reported that her risk tolerance was "moderate," and her investment objective was "income." First, Lessinger recommended that the customer purchase \$28,692.21 in one of the closed-end funds, representing at least 28 percent of her net worth, then he recommended that the customer purchase \$23,632.30

in another closed-end fund, representing at least 23 percent of her net worth, and lastly, Lessinger recommended that the customer purchase \$37,053.21 in another closed-end fund, representing at least 37 percent of her net worth. As a result of these investments, the customer lost \$5,029.85.

The suspension is in effect from November 4, 2024, through February 3, 2025.
([FINRA Case #2023077597701](#))

Christopher Steven Coffey (CRD #6850994, Bristol, Tennessee)

October 29, 2024 – An AWC was issued in which Coffey was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Coffey consented to the sanctions and to the entry of findings that he forged customer signatures on two variable annuity withdrawal forms by attaching an authentic customer signature page from a previous withdrawal form, changing the date, then submitting the new withdrawal form. The findings stated that although Coffey believed he was accommodating the customer’s request, he did not inform the customer before forging her signature and submitting these two new withdrawal forms. The customer received all withdrawn funds, and Coffey was not compensated in connection with either transaction. Furthermore, the withdrawal forms qualify as customer account records. As a result, Coffey caused his member firm to maintain inaccurate books and records.

The suspension is in effect from November 4, 2024, through January 3, 2025.
([FINRA Case #2023080583901](#))

Casey Alan Bright (CRD #6272561, Lexington, Kentucky)

October 30, 2024 – An AWC was issued in which Bright was fined \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Bright consented to the sanctions and to the entry of findings that he engaged in an OBA without providing prior written notice to, or receiving approval from, his member firm. The findings stated that Bright operated a bourbon tasting business and grossed between \$75,000 and \$100,000 hosting tastings. On at least one occasion, Bright hosted a bourbon tasting for a variable annuity issuer, and several other firm members/representatives attended this event. At the event, Bright completed annual compliance trainings, which included modules related to disclosure of OBAs. After each such training, Bright attested that he had reviewed all policies and procedures, including those related to disclosure of OBAs, and understood that failing to make complete and accurate disclosures would result in disciplinary action. Bright has since closed his bourbon tasting business.

The suspension is in effect from November 18, 2024, through January 17, 2025.
([FINRA Case #2023077836201](#))

David Halfen (CRD #6944547, Aventura, Florida)

October 30, 2024 – An AWC was issued in which Halfen was assessed a deferred fine of \$2,500 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Halfen consented to the sanctions and to the entry of findings that he failed to obtain written consent from his member firm to maintain an outside securities account and failed to inform the firm at which the account was held of his association with his firm. The findings stated that before disclosing the outside account to his firm, Halfen had submitted three annual affirmations that falsely stated that he had been abiding by his firm's prohibition against undisclosed outside accounts.

The suspension is in effect from November 4, 2024, through January 3, 2025.

([FINRA Case #2022073421502](#))

Jesse D. Krapf (CRD #5467277, Brooklyn, New York)

October 30, 2024 – An AWC was issued in which Krapf was suspended from association with any FINRA member in all capacities for five months. In light of Krapf's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Krapf consented to the sanction and to the entry of findings that he willfully violated the Best Interest Obligation under Reg BI by recommending a series of trades in a senior customer's account that were excessive, unsuitable, and not in the customer's best interest. The findings stated that the customer relied on Krapf's advice and routinely followed his recommendations. As a result, Krapf exercised de facto control over the account. Krapf recommended in-and-out trading to the customer, even when the price of his recommended securities did not materially change. Krapf's trading in the customer's account generated total trading costs of \$96,496, including \$92,847 in commissions, and caused \$41,017 in total realized losses.

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

([FINRA Case #2018056490319](#))

Joann Weihs (CRD #6170575, Middle Island, New York)

October 30, 2024 – An AWC was issued in which Weihs was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Weihs 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 is in effect from November 18, 2024, through December 17, 2024.

([FINRA Case #2023079716801](#))

David Cordell Rollins ([CRD #4576407](#), Dallas, Texas)

October 31, 2024 – An AWC was issued in which Rollins was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Rollins consented to the sanctions and to the entry of findings that he improperly used customer securities and funds by transferring approximately \$12,000 in cash and approximately \$200,000 worth of securities from his minor daughter’s Uniform Trust Minor Account (UTMA) to his brokerage account. The findings stated that Rollins, as sole custodian of his daughter’s UTMA account, was required to keep the custodial property in the UTMA account separate from all other property. However, Rollins submitted a letter of authorization, requesting his member firm transfer the funds and securities in his daughter’s UTMA account to his brokerage account and close the UTMA account. The next month, Rollins sent an email to the firm explaining that he planned to establish a trust for the benefit of his daughter within the calendar year. After receiving approval from the firm, Rollins transferred the cash and securities to his brokerage account. Subsequently, Rollins sold shares of stock previously held in his daughter’s UTMA account. Almost five years later, Rollins established an irrevocable trust for the benefit of his daughter. After establishing the irrevocable trust for the benefit of his daughter, Rollins transferred approximately \$107,000 in cash and all the remaining shares of stock previously held in the UTMA account worth approximately \$105,000, from his brokerage account to his daughter’s trust.

The suspension is in effect from November 18, 2024, through February 17, 2025. ([FINRA Case #2022075416402](#))

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.

Anthony Neil Wenham ([CRD #4531762](#), Rye, New York)

October 10, 2024 – Wenham was named a respondent in a FINRA complaint alleging that he falsified firm records when he concealed unrealized losses by recording or causing to be recorded 440 inaccurate marks for four forward start reverse repurchase positions in his member firm’s electronic recordkeeping system. The complaint alleges that the firm relied on Wenham’s marks to value his positions and calculate the profit and loss of the firm’s U.S. Repurchase Agreements Desk. Wenham entered, directed others at the firm to enter, or caused to be entered,

front rate and term rate marks for positions that he knew were too low given market expectations and, therefore, not accurate. Wenham knew his marks for the positions would result in the firm's books and records showing his positions to have decreased in value significantly less than they had. Wenham entered marks for positions that he knew did not reflect current market expectations in an effort to make it appear that his positions were more profitable than they actually were, thereby concealing unrealized losses on the firm's electronic recordkeeping systems. As a result of Wenham's inaccurate marks, the firm's books and records reflected a combined value for the positions that, according to the firm, was overstated by millions of dollars. Ultimately, the firm discovered Wenham's inaccurate marks for the positions and subsequently implemented an automated process for marking the positions. ([FINRA Case #2022073296301](#))

Jason Michael Poschinger ([CRD #6450544](#), Indianapolis, Indiana)

October 15, 2024 – Poschinger was named as a respondent in a FINRA complaint alleging that he downloaded confidential information from his member firm's computer systems that constituted nonpublic personal customer information, sent the customer data to two non-firm email addresses that he controlled and provided the information to his new firm for his own benefit. The complaint alleges that the information related to over 1,300 customer accounts and included customer names, Social Security numbers, phone numbers, addresses, birth dates, account numbers, and account values for over 600 customers. Poschinger did not inform his firm that he was taking the information, and he did not give the customers notice and opportunity to prevent the transfer of their information. The complaint also alleges that Poschinger made false statements to his firm. The firm discovered that Poschinger had transmitted nonpublic personal customer information away from the firm and terminated him. After Poschinger's termination, he signed an affidavit from his prior firm attesting that he had not and would not share the nonpublic personal customer information with any third party, that he had permanently and completely deleted the nonpublic personal customer information, that he no longer had any nonpublic personal customer information in his possession, and that he would not use any of the nonpublic personal customer information to contact his prior firm customers. Poschinger's attestations were false. Before signing the affidavit, Poschinger had transmitted nonpublic personal customer information concerning the prior firm customer accounts to his new business email address at his new firm, submitted nonpublic personal customer information concerning the customers to the firm's operations personnel to identify them as his clients, and did not delete the information. Poschinger thereafter used the nonpublic personal customer information to contact the customers of his prior firm, notify them that he had moved to his new firm, and invite certain of them to transition their business to his new firm. The complaint further alleges that Poschinger provided false statements to his new firm. Poschinger provided nonpublic personal customer

information to his new firm along with a signed Statutory Agent Agreement Schedule A. The signed agreement contained representations and warranties by Poschinger that the customer information that he provided was either publicly available or known to Poschinger independently of his association with his prior firm and that he had not copied or taken the information from it. Poschinger's representations and warranties were false. In fact, the customer information was not publicly available and known to Poschinger independently of his association with his prior firm, and he had copied and taken the information from it. In addition, the complaint alleges that while associated with Poschinger's prior firm, he opened four accounts at other FINRA member firms and one account at another financial institution in which securities transactions could be effected and in which he held a beneficial interest. Poschinger did not seek or receive the prior written consent of his prior firm to open the accounts. ([FINRA Case #2021073173701](#))

Sam Jakobs (CRD #6623905, Bellmore, New York)

October 29, 2024 – Jakobs was named a respondent in a FINRA complaint alleging that he failed to provide information and documents requested by FINRA during its investigation into whether he engaged in activities requiring registration and whether he engaged in undisclosed private securities activities. The complaint alleges that FINRA was investigating wire transfers totaling more than \$2 million that Jakobs and entities affiliated with him received from a registered representative at his member firm, which may have constituted compensation for undisclosed activities requiring registration with FINRA. Jakobs had been associated with the firm in an unregistered capacity. Jakobs' failure to provide the requested information and documents significantly impeded the completion of FINRA's investigation. ([FINRA Case #2023077022402](#))

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

**Fundopolis Securities, LLC
(CRD #304414)**
Winchester, Massachusetts
(October 2, 2024)

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

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

Airlink Markets, LLC (CRD #322261)
Issaquah, Washington
(October 28, 2024)

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

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

**BigCrowd Portal, LLC (Funding Portal
Org ID #321660)**
Warren, New Jersey
(October 31, 2024)

**Fundit, Inc (Funding Portal Org ID
#304126)**
Fairfield, New Jersey
(October 31, 2024)

**Hospitality Multiple LLC
(Funding Portal Org ID #318458)**
New York, New York
(October 31, 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.)

Akshita Bhatia (CRD #7708225)
Manhattan, New York
(October 1, 2024)
FINRA Case #2024081176201

**Glenn Thomas Colangelo
(CRD #3182753)**
Salem, Oregon
(October 15, 2024)
FINRA Case #2024081908101

Peter N. Girgis (CRD #4520444)
Staten Island, New York
(October 7, 2024)
FINRA Case #2022075928401

Matthew W. Kagan (CRD #7127797)
Los Angeles, California
(October 21, 2024)
FINRA Case #2023080722001

**Zayed Azaji Rodriguez Regalado
(CRD #6915438)**
Stamford, Connecticut
(August 13, 2024 – October 31, 2024)
FINRA Case #2023080305501

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.)

Yiu Chung Au Yeung (CRD #7360881)
Tung Chung, Hong Kong
(October 21, 2024)
FINRA Case #2022077105001

Michael Shane Banks (CRD #6095704)
Garner, North Carolina
(October 28, 2024)
FINRA Case #2024082319901

Joscelyn George Cockburn (CRD #2829827)
Raleigh, North Carolina
(October 10, 2024)
FINRA Case #2023078509101

Luis S. Jean-Bart (CRD #5472965)
Keyport, New Jersey
(August 5, 2024 – October 14, 2024)
FINRA Case #2023080015801

Peter Thomas Lawrence (CRD #2695687)
Northport, New York
(October 28, 2024)
FINRA Case #2023079905501

Emma McAuley (CRD #7178199)
Lake Tapps, Washington
(October 21, 2024)
FINRA Case #2024081629801

Marques Mcleon (CRD #7377660)
Salem, Massachusetts
(October 11, 2024)
FINRA Case #2023079751301

Jennifer Lynn Nelson (CRD #7096757)
Claremont, New Hampshire
(October 18, 2024)
FINRA Case #2024082481801

Robert Joseph Ornelas (CRD #5973762)
Yucaipa, California
(October 21, 2024)
FINRA Case #2023078114901

Edgar Shanoyan (CRD #6355599)
Tinton Falls, New Jersey
(October 18, 2024)
FINRA Case #2024080950301

Robert A. Thomas (CRD #2283452)
Bangor, Maine
(October 18, 2024)
FINRA Case #2022076486701

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.)

Silvio Borrero (CRD #5087491)
Weston, Florida
(October 15, 2024)
FINRA Case #20240820391/ARB240010/
Arbitration Case #23-03515

Sevag Raffi Haddadian (CRD #3249290)

Fullerton, California

(July 15, 2024 – October 9, 2024)

FINRA Arbitration Case #24-00392

Michael Edwin Magruder

(CRD #4579211)

Tampa, Florida

(October 24, 2024)

FINRA Arbitration Case #24-01066

Anthony Michael Tassone

(CRD #3093231)

Agawam, Massachusetts

(October 21, 2024)

FINRA Arbitration Case #24-01079