

Disciplinary and Other FINRA Actions

Firms Fined

Bolton Global Capital (CRD #15650, Bolton, Massachusetts)

November 3, 2023 – A Letter of Acceptance, Waiver and Consent (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 failed to establish and maintain a supervisory system reasonably designed to safeguard customer records and information in violation of Rule 30(a) of Regulation S-P of the Securities Exchange Act of 1934 (the Safeguards Rule). The findings stated that the firm was on notice from a prior FINRA examination that, to comply with the Safeguards Rule, it needed stronger cybersecurity practices, including to limit the access of third-party service providers to the firm’s production data and systems, and to ensure that any approved third-party service provider’s access to the firm’s production environment was logged and monitored. Following that examination, the firm enhanced its cybersecurity program. Those enhancements included requiring multi-factor authentication for firm employees. However, the firm did not yet require multi-factor authentication for third-party service providers, at least one of whom continued to have administrative access to the firm’s systems and data. The firm also did not implement a system for monitoring all third-party access to firm systems. In addition, an unauthorized third-party gained access to the firm’s network and data, exposing records and non-public personal information of firm customers. This unauthorized access resulted from the unauthorized third-party gaining access through a device used by a third-party service provider who had administrative access to the firm’s data and systems, but for whom the firm did not require multi-factor authentication. The firm followed its cybersecurity incident response policies and self-reported the incident to FINRA shortly after discovering it. The firm also engaged outside expert cybersecurity consultants to assist with its incident response, and the firm notified affected customers of the incident. The firm took additional steps, including making investments to identify and remediate existing or potential vulnerabilities in its cybersecurity program, requiring multi-factor authentication for third-party service providers and implementing endpoint detection and response and security operations center monitoring of all access to firm systems, including third-party. ([FINRA Case #2021072622201](#))

Sun’s Brothers Securities Inc. (CRD #123531, Honolulu, Hawaii)

November 3, 2023 – An AWC was issued in which the firm was censured, fined \$15,000 and required to certify that it has remediated the issues identified in the AWC and implemented a supervisory system, including written supervisory procedures (WSPs), reasonably designed to achieve

Reported for January 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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Visit www.finra.org/disciplinaryactions to search for cases using key words or phrases, specified date ranges or other criteria.

compliance with FINRA Rule 3310. FINRA has considered the firm's limited ability to pay in connection with the monetary sanction imposed in this matter. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to develop and implement an anti-money laundering (AML) compliance program reasonably designed to achieve compliance with the requirements of the Bank Secrecy Act and its implementing regulations. The findings stated that at the conclusion of a cycle examination, FINRA informed the firm that it had failed to conduct annual independent AML testing; failed to provide ongoing training for appropriate personnel; and failed to establish and implement procedures with respect to understanding the nature and purpose of customer relationships for the purpose of developing a customer risk profile for the firm's accounts. The firm represented to FINRA that it would update its AML procedures in response to these findings. However, the firm failed to do so. The findings also stated that the firm failed to establish and implement policies and procedures that could be reasonably expected to detect and cause the reporting of suspicious transactions. The firm's written AML procedures did not address how the firm would conduct or document reviews for red flags of suspicious activity, and no such reviews were conducted. The findings also included that the firm failed to implement a reasonable Customer Identification Program (CIP) to verify the identity of each retail customer, as required under the Bank Secrecy Act and its implementing regulations, and failed to develop risk profiles for retail customer accounts. FINRA found that the firm failed to conduct independent testing of its AML compliance program and failed to provide ongoing AML training for its associated persons. ([FINRA Case #2021069307801](#))

Decker & Co, LLC ([CRD #166446](#), Menlo Park, California)

November 6, 2023 – An AWC was issued in which the firm was censured and fined \$35,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it conducted a securities business while it failed to maintain the required minimum net capital. The findings stated that the firm failed to maintain books and records accurately reflecting the firm's liabilities and net capital levels and filed inaccurate Financial and Operational Combined Uniform Single (FOCUS) reports that contained these inaccurate net capital calculations. The findings also stated that the firm failed to file an application for approval of a material change in business operations, nor did it receive approval from FINRA, reflecting that it would be chaperoning trades without a clearing firm. The findings also included that the firm failed to conduct required independent testing of its AML program. For one year, the firm's test was not independent because the person conducting the test reported to an employee that performed the functions being tested. For two years, the firm conducted no testing. For another year, the firm failed to conduct the testing on a calendar-year basis as required because it was performed the next year. ([FINRA Case #2020065242201](#))

Robert W. Baird & Co. Inc. ([CRD #8158](#), Milwaukee, Wisconsin)

November 6, 2023 – An AWC was issued in which the firm was censured and ordered to pay \$519,646.23, plus interest, in restitution to customers. Before the effective date of this AWC, the firm paid full restitution, plus statutorily calculated interest, to the affected customers. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that its supervisory system did not provide certain customers with mutual fund sales charge waivers and fee rebates to which they were entitled through rights of reinstatement offered by mutual fund companies. The findings stated that the firm's system that provided customers with rights of reinstatement benefits on eligible transactions was not reasonably designed in two basic respects. First, the firm's oversight of discounts available through rights of reinstatement relied on an automated alert that was designed primarily to monitor for mutual fund switches that occurred within 90 days of a prior sale. Thus, the alert was not designed to, and did not, capture all transactions eligible for reinstatement privileges because many funds' reinstatement periods exceeded 90 days. Second, the firm relied on an ineffective review of these alerts—based on a manual review of random samples—to supervise and confirm whether the firm credited eligible customers with reinstatement privileges. As a result of its supervisory deficiencies, Baird did not provide accounts with rights of reinstatement benefits to which they were entitled, and customers paid \$519,646.23 in excess sales charges and fees. The firm has since enhanced its supervisory system. ([FINRA Case #202006865201](#))

Tradition Securities and Derivatives LLC ([CRD #28269](#), New York, New York)

November 6, 2023 – An AWC was issued in which the firm was censured, fined \$140,000, and required to remediate the issues identified in the AWC and implement a supervisory system, including WSPs, reasonably designed to achieve compliance with applicable securities laws and the rules of FINRA regarding the issues identified in the AWC. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to record transmission times and to include the correct exchange of execution on its order tickets. The findings stated that by recording the incorrect exchanges on its order tickets, the firm created an inaccurate record of the orders. The findings also stated that the firm failed to establish reasonably designed financial risk management controls and supervisory procedures. The firm's WSPs did not include a review to address the requirement that appropriate surveillance personnel receive immediate post-trade execution reports that result from market access and failed to demonstrate such reports were generated and provided to appropriate surveillance personnel. In addition, the firm failed to document an annual review of its business activity in connection with market access to assure the overall effectiveness of its risk management controls and supervisory procedures. The firm's records did not provide the date of the annual review, the individuals involved, or what was reviewed. Moreover, the firm's 2020 certification did not state that the Chief Executive Officer (CEO) certified that

the firm's risk management controls and supervisory procedures complied with applicable securities laws, or that the firm conducted such a review.
([FINRA Case #2020065114701](#))

Parsonex Capital Markets, LLC ([CRD #169578](#), Englewood, Colorado)

November 8, 2023 – An AWC was issued in which the firm was censured, fined \$10,000, and required to review and remediate the deficiencies in its customer relationship summary (Form CRS), and to file, deliver, and post to its website a Form CRS that complies with Section 17(a)(1) of the Securities Exchange Act of 1934 and Exchange Act Rule 17a-14. 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 omitted required information from its Form CRS. The findings stated that the firm failed to disclose on its Form CRS that a number of its financial professionals had legal or disciplinary history. In addition, the firm failed to disclose on its Form CRS that its control affiliate had been the subject of a disciplinary action with the SEC, though it had updated its Uniform Application for Broker-Dealer registration (Form BD) to reflect the action. Furthermore, the firm omitted other required information from its Form CRS, including specific headings and disclosures about potential conflicts of interest. The firm willfully violated Section 17(a)(1) of the Securities Exchange Act and Exchange Act Rule 17a-14 by filing and delivering to customers a Form CRS that omitted required information and then failing to update it.
([FINRA Case #2022073332301](#))

Commonwealth Australia Securities LLC ([CRD #136321](#), New York, New York)

November 9, 2023 – An AWC was issued in which the firm was censured and fined \$25,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it inaccurately reported to Trade Reporting and Compliance Engine (TRACE) transactions in TRACE-Eligible Securities without the required "No Remuneration" (NR) indicator. The findings stated that the firm reported the price and a commission of \$0.00 to TRACE for transactions in TRACE-eligible corporate debt securities and for transactions in TRACE-eligible U.S. Treasury securities but did not append the NR indicator to those transactions, as is required for transactions for which no commission, mark-up or mark-down was charged.
([FINRA Case #2022077355301](#))

Home Financial Services, Inc ([CRD #14716](#), Knoxville, Tennessee)

November 9, 2023 – An AWC was issued in which the firm was censured and fined \$50,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to disclose the execution time and failed to properly disclose mark-ups and mark-downs on customer confirmations for municipal securities transactions. The findings stated that the firm reported its mark-up or mark down only as a percentage of prevailing market price (PMP) on customer confirmations. In addition, the firm did not disclose mark-downs in any manner on customer confirmations or disclose execution time on retail customer confirmations. The findings also stated the firm incorrectly applied the non-

transaction-based compensation (NTBC) special condition indicator on reports to the Municipal Securities Rulemaking Board's (MSRB's) Real-time Transaction Reporting System (RTRS) of municipal securities transactions that included a mark-up, mark-down, or commission. This occurred because the vendor the firm retained to provide software experienced a coding error that caused the firm to automatically apply the NTBC indicator to certain transactions. The findings also included that the firm failed to supervise reasonably for compliance with certain requirements of MSRB Rules G-15 and G-14. The firm did not include in its WSPs any requirement for disclosure of its mark-up or mark-down. Ultimately, the firm revised its WSPs to require the disclosure of the amount of mark-ups, mark-downs, and execution times on retail customer confirmations. However, the firm's supervisory reviews of customer confirmations were unreasonable because they did not include confirming that mark-downs and the time of execution were disclosed on the confirmations. Furthermore, the firm did not conduct any review for the correct application of special condition indicators reported to RTRS and lacked WSPs providing for such review. ([FINRA Case #2021069383201](#))

Haywood Securities (USA) Inc. ([CRD #42072](#), Vancouver, British Columbia)

November 13, 2023 – An AWC was issued in which the firm was censured, fined \$175,000, and required to remediate the issues identified in this AWC and implement a supervisory system, including written procedures, reasonably designed to achieve compliance with the Best Interest Obligation under Rule 15l-1 of the Exchange Act (Reg BI). Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it recommended sales totaling almost \$11 million of different private placements to U.S. customers without conducting reasonable due diligence of the issuers and the offerings. The findings stated that the firm recommended sales of a certain type of Canadian private placement offerings referred to as non-brokered private placements (NBPPs), which are offerings in which the firm or its parent do not serve as agent of the issuer but rather act as a finder that introduces investors to the issuer. The firm failed to establish, maintain, and enforce a supervisory system reasonably designed to achieve compliance with FINRA Rule 2111 and Reg BI. The firm generally did not conduct due diligence of NBPPs beyond a search and review of the issuer's recent public filings. To the extent the firm obtained any information from the issuer, it generally sought minimal information and relied mostly on the issuer with little to no independent verification. In addition, the firm generally did not conduct any independent investigation, such as inquiring about past or pending litigation or disciplinary problems, reviewing the issuer's key contracts, exploring the issuer's business plan, or conducting a site visit. Furthermore, the firm did not generally conduct a search of such regulatory history, nor did it generally maintain evidence or documentation of its due diligence for NBPPs, including any searches of public filings. The findings also stated that the firm failed to file FINRA Rule 5123 filings in connection with the sale of Canadian NBPPs. The firm's policy was to not make such filings when the sale transactions for an offering were unsolicited and the firm did not receive a finder's fee from the issuer. However, the offerings did not qualify for any exemption under FINRA Rule 5123(b). ([FINRA Case #2019061852801](#))

Puma Capital, LLC ([CRD #146744](#), Rye, New York)

November 13, 2023 – An AWC was issued in which the firm was censured and fined \$100,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish, maintain, and enforce written policies and procedures reasonably designed to prevent trade-throughs. The findings stated that despite receiving a warning from FINRA, the firm had no policy or process to determine whether the intermarket sweep orders (ISOs) it routed were received and executed as intended by the venues to which it directed them. The firm relied on its order management system (OMS) to route ISOs when filling an order out of the firm's inventory that would trade through a protected quote at another venue. The firm used a broker-dealer that provided electronic equity routing and execution services on an agency basis (Broker-Dealer A) when it needed to route ISOs to venues to which the firm did not have direct access. The firm would identify the venue to which the ISO should be directed by Broker-Dealer A in a field (Field 1) in the electronic message that it sent to Broker-Dealer A. At times, due to a coding issue in the firm's OMS, the venue identified by the firm in Field 1 was left blank in the electronic messages the firm sent to Broker-Dealer A for newly-added venues. Therefore, although the firm was directing ISOs to the newly-added venues, Broker-Dealer A never received those directions. As a result, the ISOs that the firm directed to these newly-added venues were executed in Broker-Dealer A's dark pool rather than as ISOs on the newly-added venues and the firm traded through protected quotes. The firm became aware of this coding issue after receiving an inquiry from a customer and fixed the issue as to a venue. Yet the firm did not implement a process, including any WSPs, to determine whether ISOs were routed to and executed on the venue to which they were directed. Due to the firm's lack of such a process, when the same coding issue occurred as to three other newly-added venues, the firm did not detect that the coding issue had recurred until it received error messages from a third party indicating that the firm's orders contained routing order errors. Although the firm attempted to send ISOs to these venues, none of the ISOs reached their intended destinations because Field 1 was blank when Broker-Dealer A received the ISOs, causing trade-throughs. Ultimately, the firm fixed the coding issue. However, the firm still did not implement a process, including any WSPs, to determine whether its ISOs were being received and executed on the intended exchanges. Broker-Dealer A released an update to its order routing system that inadvertently caused Broker-Dealer A to stop appending order execution instructions to ISOs that the firm directed to the execution venues. As a result, the firm's ISOs failed to be executed as intended, which caused the firm to trade through protected quotes. The firm failed to identify these trade-throughs. Subsequently, the firm began obtaining a report from Broker-Dealer A that identified the exchanges to which the firm's ISOs were delivered for execution. ([FINRA Case #2018060369501](#))

H.C. Wainwright & Co., LLC ([CRD #375](#), New York, New York)

November 14, 2023 – An AWC was issued in which the firm was censured and fined \$200,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it conducted a securities business, and made capital withdrawals, while failing to maintain its required net capital. The findings stated that the firm served as a guarantor on loans ranging from \$50 million to \$175 million taken by its parent company in connection with an employee stock ownership transaction. The firm failed to take an appropriate net capital charge for these loans, resulting in a net capital deficiency for 14 out of 16 months with the largest deficiency being \$164,922,628 and an average deficiency of \$95,931,666. In addition, the firm made capital withdrawals of \$250,039,448, almost all of which were to pay back acquisition-related loans from its parent company or the lending bank. The findings also stated that the firm filed inaccurate FOCUS reports. By failing to include the amounts of its parent company's loans, for which it was guarantor, as a liability for purposes of calculating its net capital, the firm filed 16 FOCUS reports with inaccurate net capital computation. The findings also included that the firm incorrectly calculated its net capital by failing to account for its parent company's loans and, thus, failed to make and preserve accurate books and records. FINRA found that the firm failed to provide the required prior written notice to FINRA in connection with credit agreements it entered into as guarantor for its parent. ([FINRA Case #2022075458801](#))

Wedbush Securities Inc. ([CRD #877](#), Los Angeles, California)

November 15, 2023 – An AWC was issued in which the firm was censured, fined \$350,000, and required to remediate the issues identified in the AWC and implement a supervisory system, including WSPs, reasonably designed to achieve compliance with FINRA Rule 3110 regarding the issues identified in the AWC. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system, and failed to establish, maintain, and enforce written procedures, reasonably designed to achieve compliance with the firm's obligation to monitor transmittals of customer funds to third parties. The findings stated that the firm received and approved four fraudulent wire transfer requests from a hacker without taking reasonable steps to confirm whether the requests were genuine. The hacker, who had gained access to an email account belonging to a registered representative at one of the firm's correspondent firms, requested that the firm send four wires totaling more than \$6.6 million dollars from a joint brokerage account held by two customers to two third parties. In approving the requests, the firm failed to reasonably investigate red flags that the wire requests were fraudulent, including that the wires were for large and increasing amounts in a short period of time and the wires were being sent to third-party recipients (both of whom were located in foreign countries) who lacked any connection to the customers. The firm did not take reasonable steps to confirm that the wire requests were genuine, such as contacting an authorized representative of the correspondent firm by telephone. Instead, the firm approved the four wires after only sending questions to the hacker who was using the compromised email

account. After the firm's correspondent firm notified it of the fraud, the firm and the correspondent firm reimbursed the customers for their losses. Ultimately, the firm revised its WSPs concerning processing letters of authorization, including requiring firm personnel to call a recognized person at a correspondent firm using a known telephone number prior to approving wires over a certain amount.

[\(FINRA Case #2021070332301\)](#)

Morgan Stanley Smith Barney LLC ([CRD #149777](#), Purchase, New York)

November 16, 2023 – An AWC was issued in which the firm was censured and fined \$400,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it acted in contravention of Section 5(b)(2) of the Securities Act of 1933 by failing to deliver prospectuses to customers electing paper delivery in connection with sales of Exchange-Traded Funds (ETFs). The findings stated that the firm's prospectus delivery failures stemmed from coding in its internal systems that incorrectly indicated that prospectuses need not be delivered for transactions in these ETFs, all of which were in the same fund family. Because the firm's third-party prospectus fulfillment vendor delivered a paper prospectus only when its systems indicated one should be delivered, the vendor did not deliver prospectuses for the ETFs until the firm discovered and fixed the coding error. The firm subsequently implemented additional procedures requiring manual reviews of prospectus delivery indicators to confirm its systems accurately indicate whether prospectuses are to be delivered. The findings also stated that the firm failed to establish and maintain a supervisory system reasonably designed to monitor and confirm the delivery of prospectuses to customers. The firm's supervisory system was not able to detect whether its internal systems accurately indicated that these prospectuses should be delivered.

[\(FINRA Case #2023077632501\)](#)

Cowen and Company, LLC ([CRD #7616](#), New York, New York) in its own right and as successor-in-interest to Cowen Prime Services LLC ([CRD #153397](#), New York, New York)

November 27, 2023 – An AWC was issued in which the firm was censured and fined \$275,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that Cowen Prime and Cowen and Company published quarterly reports on their handling of customers' orders in National Market System (NMS) securities that failed to disclose required information, provided inaccurate and incomplete information, or were not timely published. The findings stated that Cowen Prime failed to disclose its basis for publishing separate Rule 606(a) of Regulation NMS Reports; published non-reportable equities order information; and failed to publish required options order information. Cowen and Company published quarterly Rule 606 Reports late and failed to publish required options information concerning its execution venues. The findings also stated that Cowen Prime and Cowen and Company's respective supervisory systems, including WSPs, were not reasonably designed to achieve compliance with Rule 606. Cowen and Company has since revised its WSPs to provide guidance as to how to perform supervisory reviews to ensure the accuracy of its Rule 606 reports.

[\(FINRA Case #2021071022201\)](#)

TD Private Client Wealth LLC (CRD #164484, New York, New York)

November 27, 2023 – An AWC was issued in which the firm was censured, fined \$600,000, required to certify that it has remediated the issues identified in the AWC and implemented a supervisory system, including WSPs, reasonably designed to achieve compliance with FINRA Rule 3110(b)(4), required to certify that it has completed a risk-based retrospective review of email sent or received by its associated personnel, and comply with all reporting obligations under FINRA Rule 4530, Uniform Application for Securities Industry Registration or Transfer (Form U4), and Uniform Termination Notice for Securities Industry Registration (Form U5), with respect to reportable findings resulting from the review. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system, including written procedures, reasonably designed to achieve compliance with the firm's obligation to review correspondence and internal communications. The findings stated that the firm often failed to place the email accounts for its new employees into the electronic queue it established for email review. The firm's written procedures failed to set forth the necessary steps to add accounts to the review queue, identify the departments or personnel responsible for those steps, or identify any requirements for when the steps should be taken. Due to the lack of reasonable written procedures, there were miscommunications between multiple departments about whether the email accounts had been placed into the queue and misunderstandings about which department was responsible for carrying out particular steps required to place an account into the queue. As a result, the firm failed to review approximately 3.5 million emails related to 691 employee email accounts. The firm also failed to maintain a reasonable system to verify that new employees' email accounts were being placed into the firm's electronic queue for review. Rather, the firm relied on an ad hoc and occasional practice of manually comparing a list of new hires with the names of the employees whose email accounts had been placed into the electronic queue. This practice was not reasonable given the volume of employees the firm onboarded during the relevant period. In addition, the firm failed to reasonably investigate and address red flags that employee email accounts were missing from the review queue. Further, the firm did not reasonably investigate why the email accounts were missing and whether any other email accounts were missing until after FINRA commenced its investigation.

[\(FINRA Case #2019064801101\)](#)

Allied Millennial Partners, LLC (CRD #16569, New York, New York)

November 28, 2023 – An AWC was issued in which the firm was censured and fined \$10,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to file required documents with FINRA for the private placement offerings that it sold to retail investors after entering into an agreement with an issuer of the offerings to act as a selling agent.

[\(FINRA Case #2019064746402\)](#)

Alterna Securities, Inc. fka Actinver Securities, Inc. (CRD #41139, Houston, Texas)
November 30, 2023 – An AWC was issued in which the firm was censured, fined \$32,500 and required to certify that it has remediated the issues identified in the AWC and implemented a supervisory system, including WSPs, reasonably designed to achieve compliance with FINRA Rules 3110 and 2010. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that its supervisory system, including WSPs, was not reasonably designed to surveil for potentially manipulative pre-arranged trades. The findings stated that the firm did not have exception reports, trade alerts, or other supervisory mechanisms to identify pre-arranged transactions. Instead, the firm relied on its supervisors to identify such transactions as part of their daily review of transactions on a fixed income trade blotter. However, the firm's trade blotter was organized by customer account and did not provide the time that transactions were executed and was therefore not a reasonable mechanism to review or identify potential pre-arranged trading. Moreover, the WSPs provided no information or guidance to supervisors as to how to review for pre-arranged trading, what information to identify or evaluate in conducting such a review, or what steps were required to address indications of pre-arranged transactions. Finally, while the firm's WSPs designated a firm principal as the person responsible for supervising fixed income transactions for compliance with the firm's WSPs, including those regarding potentially manipulative trading, they did not designate a supervisor responsible for the supervision of fixed income transactions effected by that principal. The designated principal effected 35 pairs of pre-arranged transactions in corporate bonds. In each transaction, that principal sold corporate bonds, from either the firm's inventory or on behalf of a firm customer, to another broker-dealer and then bought the same bonds back, usually within five minutes, from the same broker-dealer on behalf of other firm customers. Because the firm had no surveillance system reasonably designed to detect pre-arranged transactions, and because no supervisor had been designated to supervise the principal's trading activity, none of the principal's transactions were flagged for supervisory review at the firm. ([FINRA Case #2020068391502](#))

TIAA-CREF Individual & Institutional Services, LLC (CRD #20472, New York, New York)

November 30, 2023 – An AWC was issued in which the firm was censured and fined \$125,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to promptly report written customer complaints involving allegations of theft or misappropriation of funds or securities. The findings stated that although the firm was aware of these complaints, it did not promptly report them to FINRA as required. Instead, the firm only disclosed these complaints in a quarterly summary report filed with FINRA. In addition, the firm failed to report settled matters where the firm was the subject of a claim for damages by a customer relating to the provision of financial services or a financial transaction and the settlement amount exceeded \$25,000. The firm only reported

these settlements and complaints after being informed by FINRA of the deficiencies in its reporting. The findings also stated that the firm failed to establish and maintain a supervisory system, including WSPs, that were reasonably designed to achieve compliance with FINRA reporting rules. The firm failed to enforce its WSPs for the reporting of customer complaints. In addition, the firm's written procedures did not address settlements at all, and it did not track these settlements for purposes of disclosure to FINRA. ([FINRA Case #2022073326001](#))

Individuals Barred

Virginia S. Davicino ([CRD #1789317](#), Commack, New York)

November 6, 2023 – An AWC was issued in which Davicino was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Davicino consented to the sanction and to the entry of findings that she refused to provide documents and information requested by FINRA as a part of its investigation into the circumstances giving rise to a Form 4530 filing made by her member firm. ([FINRA Case #2023079748901](#))

John Michael Fagan ([CRD #1267279](#), St. Louis, Missouri)

November 6, 2023 – An AWC was issued in which Fagan was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Fagan 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 sale of certain fixed income securities by him. ([FINRA Case #2023078766801](#))

Robert Emmett Marquez ([CRD #2266269](#), Nesconset, New York)

November 6, 2023 – An AWC was issued in which Marquez was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Marquez consented to the sanction and to the entry of findings that he refused to provide on-the-record testimony requested by FINRA in connection with an investigation into sales of "pre-IPO" private placement offerings. ([FINRA Case #2022074096803](#))

Megurditch Mike Patatian ([CRD #4047060](#), Granada Hills, California)

November 7, 2023 – Patatian appealed a National Adjudicatory Counsel (NAC) decision to the Securities and Exchange Commission (SEC). Patatian was barred from association with any FINRA member in all capacities and, ordered to disgorge commissions in the amount of \$458,418.07, plus prejudgment interest. The NAC affirmed the findings and modified the sanctions imposed by the Office of Hearing Officers (OHO). The sanctions were based on findings that Patatian recommended unsuitable purchases of non-traded real estate investment trusts (REITs) to his

customers without meeting his reasonable-basis suitability obligations. The findings also stated that Patatian violated his customer-specific suitability obligations when he recommended the non-traded REITS to certain customers, who each required liquidity and desired a less risky investment. The customers testified consistently that Patatian did not discuss the risks associated with REITs, and he promised the customers they would get their money back in periods of time ranging from one to five years, when the prospectuses warned that the REITs could remain illiquid for seven years or more. While the customers acknowledged that they signed risk disclosures, most testified that Patatian had them sign the disclosures and member firm client agreements as blank forms and they all simply signed and initialed where Patatian indicated without reading the documents because they trusted him. The findings also stated that Patatian recommended unsuitable variable annuity surrenders to customers. When Patatian recommended that some of the customers surrender their variable annuities, he did not consider, or select the option to withhold, applicable taxes. As a result, the customers incurred substantial tax bills, including underpayment penalties, that they did not know about when they followed Patatian's recommendation. Patatian admitted that he believed that the surrender of a variable annuity and the purchase of a REIT qualified as a tax-free 1035 exchanges and the record supports that he told certain customers that this provision applied. In addition to taxes, one of the customer's surrenders also resulted in a substantial surrender penalty. The findings also included that Patatian made unsuitable recommendations to certain customers that they exchange their variable annuities for new variable annuities because the recommendations were based on faulty cost comparisons and Patatian's failure to secure intended optional death benefits. FINRA found that Patatian impersonated a customer in a telephone call with an insurance company after he recommended that his customers, a married couple, surrender a variable annuity they held to invest the proceeds in a non-traded REIT. At the time, Patatian was not the agent of record for the annuity. As part of his impersonation, Patatian provided the customer's date of birth and the last four digits of his social security number to the insurance company. FINRA also found that Patatian caused his firm to maintain inaccurate books and records by inflating customers' investment experience and net worth on important firm documents in order to make the REIT investments appear suitable. Patatian's falsification of these records enabled and concealed his suitability violations. The NAC did not believe it was appropriate to order Patatian to offer rescission under the circumstances here and thus, it dismissed that portion of the OHO's sanctions. Further, the restitution requested by FINRA and ordered by the OHO was paid by the firm during the pendency of Patatian's appeal and thus ordering Patatian to do so would result in a double recovery by the customers. The NAC therefore eliminated the order that Patatian pay restitution.

The sanctions, except for the bar, are not in effect pending review.
([FINRA Case #2018057235801](#))

Richard DiArenzo (CRD #2752676, Philadelphia, Pennsylvania)

November 14, 2023 – An AWC was issued in which DiArenzo was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, DiArenzo consented to the sanction and to the entry of findings that he refused to provide documents and information and on-the-record testimony requested by FINRA during the course of a matter originated from his member firm's filing of his Form U5. The findings stated that the firm filed a Form U5 noting that DiArenzo had been terminated for failure to timely disclose a reportable event. ([FINRA Case #2023077681201](#))

Edward Steven Mercer (CRD #1839328, Coral Gables, Florida)

November 15, 2023 – An AWC was issued in which Mercer was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Mercer consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with its investigation into a customer's investment in a crypto asset offering away from his member firm. ([FINRA Case #2023079873002](#))

Keith M. Curtis (CRD #4798755, Sarasota, Florida)

November 16, 2023 – An AWC was issued in which Curtis was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Curtis consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony in connection with FINRA's investigation into his potential conversion of funds. ([FINRA Case #2020068885901](#))

Christopher Booth Kennedy (CRD #4498061, Simi Valley, California)

November 17, 2023 – An Order Accepting Offer of Settlement was issued in which Kennedy was barred from association with any FINRA member in all capacities. Without admitting or denying the allegations, Kennedy consented to the sanction and to the entry of findings that he churned and excessively traded customer accounts as a registered representative of his member firm. The findings stated that Kennedy used his control over these accounts to direct an excessive series of transactions that generated commissions for his own benefit at the customers' expense. Kennedy made an average of 102 trades per account per month representing net trading of more than \$6.9 million per account or approximately 13 times the average account value. As the result of Kennedy's excessive trading, his customers collectively lost over \$2.3 million in value from their accounts and paid more than \$715,000 in total trading costs and margin interest, including over \$595,000 in commissions. By churning customer accounts, Kennedy willfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and violated FINRA Rule 2020. In addition, by excessively trading customer accounts, Kennedy willfully violated Reg BI. The findings also stated that Kennedy made fake account statements to hide the results of his trading from two customers, the husband-and-wife co-trustees of a family trust account. Over a six-month period,

Kennedy prepared and sent six fake account statements to these customers from his personal email. Kennedy supplemented these fake account statements by making a series of other false statements to these customers inflating their account value. In one instance, Kennedy sent a fake account statement to these customers purporting to show an ending balance of \$5.2 million and a gain in value of over \$3 million. In fact, under Kennedy's control the account had lost nearly all of its value and only approximately \$160,000 in value remained in the account. The findings also included that during FINRA's investigation of his trading, Kennedy repeatedly lied in response to requests for information and on-the-record testimony. In particular, Kennedy falsely denied preparing fake account statements for customers and falsely claimed that his personal email had been hacked and that an imposter had sent all but one of the fake account statements. ([FINRA Case #2021072389001](#))

Hector Jesus Hernandez ([CRD #4654126](#), San Antonio, Texas)

November 20, 2023 – An AWC was issued in which Hernandez was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Hernandez consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with its investigation into his potential failure to disclose an outside business activity (OBA) while he was associated with his member firm. ([FINRA Case #2021073535701](#))

Robert Allen Silvestri ([CRD #2037669](#), Farmers Branch, Texas)

November 21, 2023 – An AWC was issued in which Silvestri was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Silvestri consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with its investigation into whether he borrowed funds from a customer. ([FINRA Case #2023079235501](#))

Robert Lee Golding ([CRD #5324763](#), Alpena, Michigan)

November 27, 2023 – An AWC was issued in which Golding was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Golding consented to the sanction and to the entry of findings that he refused to produce information and documents requested by FINRA during the course of a matter originated from a Form U5 filed by his member firm that disclosed that he voluntarily resigned after allegations that he electronically submitted non-genuine client signatures on annuity applications, misdated a company form, and communicated via text outside the company's monitoring platform. ([FINRA Case #2022076240401](#))

Kerry Lee Broderick ([CRD #7344563](#), Gloucester, Massachusetts)

November 28, 2023 – An AWC was issued in which Broderick was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Broderick 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 into whether she circumvented her member firm's policies or procedures by helping another firm registered representative place short-term, speculative trades in his personal account. ([FINRA Case #2023078268801](#))

Forrest Addington Wester ([CRD #2559502](#), Midland, Texas)

November 30, 2023 – An AWC was issued in which Wester was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Wester consented to the sanction and to the entry of findings that he refused to produce information and documents requested by FINRA in connection with its investigation into him over concerns about potential misappropriation of client funds. ([FINRA Case #2023080036201](#))

Individuals Suspended

Ryan Adrian Morfin ([CRD #4581160](#), New York, New York)

November 1, 2023 – An AWC was issued in which Morfin was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for five months. Without admitting or denying the findings, Morfin consented to the sanctions and to the entry of findings that he engaged in investment banking without registering with FINRA as an Investment Banking Representative or having passed the requisite exam. The findings stated that this included Morfin's participation in offerings for which his member firm was engaged as a financial advisor for the purposes of raising capital through equity and/or debt. With respect to one offering, Morfin provided advice on how the offering should be structured, facilitated due diligence for the offering, and assisted with preparing the offering materials. With respect to another offering, Morfin directed a firm employee to send an investment banking engagement letter to the issuer of the offering, attended meetings and calls regarding the offering, signed a non-disclosure agreement relating to the offering, and marketed the offering to an investment firm. The findings also stated that Morfin acted in a principal capacity at his firm without registering with FINRA as a General Securities Principal or having passed the requisite exam. Morfin was involved in the hiring and attempted firing of several firm employees, including an executive level employee, and the setting of their individual employment terms, such as compensation. Morfin also directed the Chief Financial Officer (CFO) of the firm to make large wire transfers out of the firm, and dictated when the CFO should pay individual firm bills. Despite not being registered with the firm in any capacity, Morfin also expensed hundreds of thousands of dollars of business expenses to the firm at his own discretion.

The suspension is in effect from November 6, 2023, through April 5, 2024. ([FINRA Case #2021071024501](#))

William Savary (CRD #1069141, Bloomfield, New Jersey)

November 2, 2023 – An AWC was issued in which Savary was fined \$5,000 and suspended from association with any FINRA member in all capacities for one year. Without admitting or denying the findings, Savary consented to the sanctions and to the entry of findings that he participated in private securities transactions by executing securities purchases totaling \$1,746,309 in another person's brokerage account, held away from his member firms, over which he had discretionary authority. The findings stated that Savary entered into a written trading authorization agreement with the person that granted him full investment authority over that person's self-directed brokerage account. Savary accessed the account online, using the person's username and password, and executed securities transactions. Savary received \$234,532 in compensation from the account's owner for his management of the account. Savary did not disclose the securities transactions to his firms.

The suspension is in effect from December 4, 2023, through December 3, 2024. ([FINRA Case #2022074468401](#))

James Samuel Hanson (CRD #5109237, Williamsburg, Virginia)

November 3, 2023 – An AWC was issued in which Hanson was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for eight months. Without admitting or denying the findings, Hanson consented to the sanctions and to the entry of findings that he willfully failed to amend his Form U4 to disclose that he had been charged with sixteen felonies. The findings stated that Hanson was arrested in the Commonwealth of Virginia. Subsequently, a grand jury returned an indictment charging Hanson with the felonies and then he was arraigned, all while he was associated with his member firm. Although Hanson was aware that he had been charged with these felonies, he never amended his Form U4 to disclose the felony charges and never disclosed the felony charges to the firm. Later, the firm discovered that Hanson had been charged with multiple felonies and discharged Hanson.

The suspension is in effect from November 6, 2023, through July 5, 2024. ([FINRA Case #2023078894201](#))

Brian Keith Shey (CRD #4610561, Newberry, Florida)

November 3, 2023 – An AWC was issued in which Shey was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Shey consented to the sanctions and to the entry of findings that he willfully failed to amend his Form U4 to disclose four felony charges. The findings stated that the State of Florida charged Shey with two felony counts of submitting a false insurance application and two felony counts of submitting a fraudulent insurance claim. Shey was aware of the felony charges but failed to amend his Form U4 within 30 days, or at any point during his association with his member firm. The charges were later dismissed.

The suspension is in effect from November 6, 2023, through March 5, 2024. ([FINRA Case #2022076673601](#))

John Benjamin Nelson (CRD #4768530, Des Moines, Iowa)

November 7, 2023 – An AWC was issued in which Nelson was suspended from association with any FINRA member in all capacities for one month. In light of Nelson's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Nelson consented to the sanction and to the entry of findings that he forged the electronic signature of his business partner on account update forms without permission. The findings stated that Nelson's business partner unexpectedly stopped coming to work for a period. While his partner was away, Nelson electronically signed his partner's name, without permission, on account update forms, which had the effect of making Nelson the sole representative for the customer accounts that had previously been jointly represented. The customers all approved of the change. Although Nelson's partner did not approve of Nelson becoming the sole representative for those accounts, he (as Nelson's supervisor) subsequently approved the underlying transactions in those accounts that were initiated while he was away, and Nelson split the commissions with his partner relating to those transactions. Nelson's conduct caused his member firm to maintain inaccurate books and records.

The suspension was in effect from December 4, 2023, through January 3, 2024. ([FINRA Case #2020067713101](#))

Fedelyne Cemoin (CRD #6430066, Wellington, Florida)

November 13, 2023 – An AWC was issued in which Cemoin was suspended from association with any FINRA member in all capacities for four months. In light of Cemoin's financial status, no monetary sanctions have been imposed. Without admitting or denying the findings, Cemoin consented to the sanction and to the entry of findings that she willfully failed to amend her Form U4 to disclose that she had been charged with a felony. The findings stated that Cemoin was charged with felony public assistance fraud. Cemoin knew that she had been charged with a felony, but she did not amend her Form U4 to disclose the felony charge within 30 days of learning of it. In fact, Cemoin did not amend her Form U4 to disclose the felony charge at any point prior to resigning from her member firm over four years later. In addition, Cemoin submitted compliance questionnaires to her firm that falsely stated that she had not been charged with any felony.

The suspension is in effect from November 20, 2023, through March 19, 2024. ([FINRA Case #2023077891101](#))

Robert William Clayton Jr. (CRD #2598586, Point Pleasant, New Jersey)

November 13, 2023 – An AWC was issued in which Clayton was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Clayton consented to the

sanctions and to the entry of findings that he caused his member firm to make and preserve inaccurate books and records by mismarking order tickets as unsolicited when he had solicited the trades.

The suspension is in effect from December 4, 2023, through March 3, 2024.
([FINRA Case #2023079976201](#))

Royal Gregory Fisher (CRD #3230753, Traverse City, Michigan)

November 13, 2023 – An AWC was issued in which Fisher was fined \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Fisher consented to the sanctions and to the entry of findings that he circumvented his member firm’s policies when he acted in fiduciary capacities on behalf of, and accepted being named a beneficiary by, a firm customer to whom he was not related. The findings stated that the customer granted Fisher power of attorney and named him the first successor trustee of the customer’s revocable living trust. The customer also named Fisher as a 10 percent beneficiary of the trust, such that Fisher stood to inherit over \$100,000. After the customer’s death, Fisher became the primary trustee of the trust and the executor of the customer’s estate. In addition, Fisher signed annual compliance questionnaires certifying that he understood the firm’s policies and had complied and would continue to comply with them.

The suspension is in effect from December 4, 2023, through February 3, 2024.
([FINRA Case #2021071152401](#))

John Roddy Hughes (CRD #1895797, Fair Lawn, New Jersey)

November 13, 2023 – An AWC was issued in which Hughes 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, Hughes 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. The findings stated that Hughes did not disclose his association to his firm to the firm at which the account was held and did not seek written consent from his firm before opening the account, or at any other time, including on his annual compliance attestation.

The suspension is in effect from November 20, 2023, through January 19, 2024.
([FINRA Case #2021073087601](#))

Jilena Yuen-Han Mok (CRD #6115674, San Francisco, California)

November 14, 2023 – An AWC was issued in which Mok was fined \$10,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Mok consented to the sanctions and to the entry of findings that she effected trades in a customer’s non-discretionary account without the customer’s authorization, knowledge, or consent.

The findings stated that Mok's member firm later offered to reverse the trades, but the customer declined. The findings also stated that Mok exercised discretionary authority with respect to trades in customer accounts without obtaining prior written authorization from the customers and without having the accounts accepted as discretionary by the firm. In addition, Mok had not communicated with the customers prior to execution on the day of the trades.

The suspension is in effect from December 4, 2023, through February 3, 2024.
([FINRA Case #2022075150801](#))

Robert Joseph DeHayes (CRD #2638059, Montville, New Jersey)

November 15, 2023 – An AWC was issued in which DeHayes was fined \$10,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, DeHayes consented to the sanctions and to the entry of findings that he opened and maintained an outside brokerage account in which he held a beneficial interest at another FINRA member firm without notifying or receiving prior written consent from his member firm and without notifying the firm at which the account was maintained of his association with his firm. The findings stated that DeHayes' firm reduced the level of options trading permitted in the accounts that he maintained for himself and his wife at the firm. On the same day, DeHayes opened an outside brokerage account at another firm in his wife's maiden name. Over the course of the next nine years, DeHayes traded securities in the outside account. DeHayes activity included the types of options trading that his firm no longer permitted in his accounts at the firm and additional options investing that his firm prohibited.

The suspension is in effect from December 18, 2023, through June 17, 2024.
([FINRA Case #2021073486701](#))

John Ginsburg (CRD #3022789, Houston, Texas)

November 15, 2023 – An AWC was issued in which Ginsburg was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Ginsburg consented to the sanctions and to the entry of findings that he added information for customers to firm documents after obtaining the customers' signatures on blank or incomplete forms. The findings stated that Ginsburg submitted the forms to his member firm for processing causing it to maintain inaccurate books and records. The missing information added by Ginsburg included material information regarding proposed investments and the costs and fees associated with those investments.

The suspension was in effect from December 4, 2023, through January 3, 2024.
([FINRA Case #2020068747501](#))

Jeffrey Allen Russell (CRD #2516610, San Clemente, California)

November 16, 2023 – An AWC was issued in which Russell was assessed a deferred fine of \$5,000, suspended from association with any FINRA member in all capacities for six months, and ordered to pay \$2,999, plus interest, in deferred disgorgement of commissions received. Without admitting or denying the findings, Russell consented to the sanctions and to the entry of findings that he effected purchases of a money market mutual fund in the brokerage accounts of customers at his member firm without his customers' prior authorization or consent. The findings stated that these customers were all homeowners' associations. The money market mutual fund transactions did not generate any commissions for Russell. In addition, Russell effected purchases of a mutual fund that invested in mortgage-backed securities (MBSs) in customer brokerage accounts without prior authorization or consent from his customers. The MBS mutual fund transactions generated \$2,999 in commissions for Russell.

The suspension is in effect from November 20, 2023, through May 19, 2024.
([FINRA Case #2021071685401](#))

Sara Yasmin Qazi (CRD #4118177, La Quinta, California)

November 20, 2023 – An AWC was issued in which Qazi was fined \$15,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Qazi consented to the sanctions and to the entry of findings that she participated in a private securities transaction in which a customer of her member firm purchased \$250,000 of preferred stock in a healthcare company without providing written notice to, or receiving approval from, her member firm prior to participating in the private securities transaction. The findings stated that, at the customer's request, Qazi conducted due diligence on the healthcare company, including by reviewing its financial data and arranging and attending due diligence calls with its management and other investors. In addition, Qazi facilitated the customer's investment in the healthcare company by assisting with the execution of agreements related to the transaction and arranging the wire transfer of the customer's funds to it. Qazi did not earn any compensation from her participation in the transaction. The findings also stated that Qazi distributed a written presentation prepared by the healthcare company to five individuals, including one firm customer, which included information regarding a private offering by the healthcare company. The presentation did not disclose any of the risks associated with an investment in the healthcare company's private offering. Qazi also distributed a financial model prepared by the healthcare company to a firm customer, which contained financial forecasts but did not disclose any risks, limitations, or conditions that could impede the achievement of such forecasts.

The suspension is in effect from December 18, 2023, through March 17, 2024.
([FINRA Case #2021070719701](#))

David Ross Stuart (CRD #857819, Medford, New Jersey)

November 20, 2023 – An AWC was issued in which Stuart was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Stuart consented to the sanctions and to the entry of findings that he shared commissions with an unregistered person who referred customers to Stuart for the purpose of opening brokerage accounts and effecting securities transactions. The findings stated that Stuart and the unregistered person jointly met with at least one customer to discuss investments. Stuart paid approximately \$148,265 to the unregistered person in connection with transactions he effectuated in the accounts of the customers the unregistered person had referred. Prior to this point, FINRA barred the unregistered person from associating with any FINRA member in any capacity, and Stuart was aware that the individual was not registered. In addition, Stuart attested on annual compliance questionnaires that he understood that he was prohibited from directly paying securities or investment advisory compensation to unregistered individuals and falsely attested that he was not engaged in paying referral fees to anyone outside of his member firm.

The suspension is in effect from November 20, 2023, through February 19, 2024. ([FINRA Case #2023078996901](#))

Frenise Ladawn Mann (CRD #6972542, Chattanooga, Tennessee)

November 21, 2023 – An AWC was issued in which Mann was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Mann consented to the sanctions and to the entry of findings that she electronically signed the names of customers on forms, without their prior permission, and electronically signed forms for other customers, with their prior permission. The findings stated that Mann inaccurately recorded her own address as that of the customer in a new account application for one customer, with permission of the customer and at that customer's request. In addition, Mann photocopied and then reused the signatures of customers on insurance application forms, with their prior permission. Subsequently, Mann received a letter of reprimand from her member firm after it detected signature irregularities, but she continued some of this misconduct thereafter. In addition, Mann caused the firm to maintain inaccurate books and records because some of these forms involved securities products and, accordingly, were required books and records of the firm. All of the foregoing transactions were authorized and none of the customers were harmed or complained. The findings also stated that Mann called the firm and impersonated a customer in an effort to obtain information about the customer's account, without permission of the customer. The firm ended the call before providing any information about the customer's account.

The suspension is in effect from December 4, 2023, through June 3, 2024. ([FINRA Case #2021072888301](#))

Joao Amorim Pinto ([CRD #6298233](#), Newark, New Jersey)

November 21, 2023 – An AWC was issued in which Pinto was suspended from association with any FINRA member in all capacities for three months. In light of Pinto's financial status, no monetary sanctions have been imposed. Without admitting or denying the findings, Pinto consented to the sanction and to the entry of findings that he willfully violated Reg BI and violated FINRA Rules 2111 and 2010 by recommending a series of trades in the account of a 68-year-old retiree that were excessive, unsuitable, and not in the customer's best interest. The findings stated that Pinto recommended high frequency trading in the customer's account, and the customer routinely followed his recommendations. As a result, Pinto exercised de facto control over the customer's account. Pinto's trading in the customer's account generated total trading costs of \$92,237, including \$83,484 in commissions, and caused \$141,051 in realized losses.

The suspension is in effect from December 18, 2023, through March 17, 2024. ([FINRA Case #2018056490307](#))

Scott William Norvell ([CRD #2196706](#), Omaha, Nebraska)

November 22, 2023 – An AWC was issued in which Norvell was fined \$10,000 and suspended from association with any FINRA member in all capacities for two-and-one-half months. Without admitting or denying the findings, Norvell consented to the sanctions and to the entry of findings that he negligently misrepresented the death benefits that customers would receive from exchanging their existing variable annuity products for a different variable annuity product. The findings stated that Norvell negligently misrepresented to these customers that the new product had a guaranteed death benefit that was equal to the greater of the account value or the customer's contributions, less adjusted withdrawals. However, the guaranteed death benefit was only available by selecting an optional rider on the application and paying an additional fee. Norvell did not select the rider on the applications for these transactions or collect the additional fee. As a result, the customers did not receive a guaranteed death benefit. A majority of the transactions took place after Norvell's supervisor had notified him that he had failed to select the optional death benefit rider in connection with a separate transaction. The findings also stated that Norvell caused his member firm to maintain inaccurate books and records by falsifying signatures of senior customers by electronically signing documents on their behalf. Although Norvell had prior permission from the customers, the firm prohibited signing a customer's name or initials regardless of the customer's knowledge or consent. In addition, Norvell falsely attested in a compliance questionnaire that he had not signed or affixed another person's signature on a document.

The suspension is in effect from December 18, 2023, through March 3, 2024. ([FINRA Case #2020065106301](#))

Troy Allen Orlando ([CRD #6055474](#), New York, New York)

November 22, 2023 – An AWC was issued in which Orlando was suspended from association with any FINRA member in all capacities for 20 months and ordered to pay deferred restitution of \$58,082.50, plus interest. In light of Orlando's financial status, the sanctions do not include a monetary fine. Without admitting or denying the findings, Orlando consented to the sanctions and to the entry of findings that he willfully violated Reg BI and violated FINRA Rules 2111 and 2010 by recommending a series of trades in five customer accounts that were excessive, unsuitable, and not in the customers' best interest. The findings stated that Orlando recommended high frequency trading in the customers' accounts and the customers relied on Orlando advice and routinely followed his recommendations. As a result, Orlando exercised de facto control over the customers' accounts. Orlando's trading in the customers' accounts, some of whom were seniors, resulted in total trading costs of \$231,798, including \$164,897 in commissions, and caused \$198,450 in realized losses. The restitution imposed is equal to commissions paid by two customers. The other customers have previously obtained an arbitration award against Orlando's member firm related to his trading.

The suspension is in effect from December 4, 2023, through August 3, 2025. ([FINRA Case #2019060753505](#))

Michael MacLean ([CRD #5457640](#), Paxton, Massachusetts)

November 27, 2023 – An AWC was issued in which MacLean was fined \$5,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, MacLean consented to the sanctions and to the entry of findings that he caused his member firm to maintain inaccurate books and records by changing the representative code for trades in the firm's order entry system, causing the trade confirmations to show an inaccurate representative code. The findings stated that MacLean entered into an agreement through which he and another representative working from the same branch office agreed to service certain customer accounts, including executing trades for those accounts, under a joint representative code that they shared with a retired representative. The agreement set forth what percentages of the commissions MacLean, the other representative, and the retired representative earned on trades placed using the joint representative code. MacLean placed trades in accounts that were covered by the agreement using a representative code other than the one he should have used. Specifically, although his firm's system prepopulated the trades with the applicable joint representative code, MacLean changed the code for the trades to a different representative code that he shared only with the other representative. MacLean changed the codes because he mistakenly believed that his agreement with the retired representative did not apply to new assets added to accounts subject to the agreement. The firm's trade confirmations for the trades inaccurately reflected the

representative code that MacLean shared only with the other active representative. MacLean's actions resulted in his receiving higher commissions from the trades than what he was entitled to receive pursuant to the agreement. Subsequently, MacLean's firm reimbursed the retired representative.

The suspension is in effect from December 18, 2023, through January 31, 2024.
([FINRA Case #2021069200301](#))

Ronald Lewis Morse (CRD #341008, Ossining, New York)

November 27, 2023 – An AWC was issued in which Morse was fined \$5,000 and suspended from association with any FINRA member in all capacities for 20 business days. Without admitting or denying the findings, Morse consented to the sanctions and to the entry of findings that he created an updated customer profile document for a senior customer that included inaccurate information about the customer. The findings stated that the customer complained to Morse's member firm that information on her customer profile, including her investment objectives, risk tolerance, and liquid net worth, were inaccurate. Following communications with the customer, Morse created the revised customer profile document, which contained some of the changes the customer requested but was inaccurate with respect to aspects of the customer's stated investment needs. After revising the customer profile document, Morse affixed the customer's signature without her permission. By falsifying the customer's profile document and forging her signature, Morse caused his firm to maintain inaccurate books and records.

The suspension is in effect from December 18, 2023, through January 17, 2024.
([FINRA Case #2019063686207](#))

Jacob Pae (CRD #7059044, Bentonville, Arkansas)

November 27, 2023 – An AWC was issued in which Pae 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, Pae consented to the sanctions and to the entry of findings that he forged the electronic signatures of customers on documents. The findings stated that Pae received Automated Clearing House (ACH) Authorization Agreements concerning brokerage accounts executed by customers of his member firm that contained clerical errors and required re-execution. Rather than sending the customers corrected agreements to re-execute, Pae copied the electronic signatures from the original agreements and pasted them to the corrected agreements without the customers' consent. Subsequently, Pae submitted the documents containing the forged customer signatures to his firm for review and approval. By forging customer signatures, Pae caused his firm to preserve inaccurate records.

The suspension is in effect from December 4, 2023, through January 17, 2024.
([FINRA Case #2022075705601](#))

Jake Louis Fruge (CRD #6187396, Houston, Texas)

November 28, 2023 – An AWC was issued in which Fruge was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 24 months. Without admitting or denying the findings, Fruge consented to the sanctions and to the entry of findings that he engaged in an OBA as an owner and co-CEO of a company that engaged in e-commerce and lead generation without providing prior written notice to his member firm. The findings stated that the OBA's customers—including certain firm customers and firm registered representatives—each paid an up-front fee of at least \$40,000 per e-commerce storefront and \$4,000 per digital real estate website. The OBA's customers then received a percentage of any income those storefronts and websites generated. Fruge did not disclose any component of the OBA to the firm until the after it was founded, when he orally disclosed only the e-commerce storefront component of the company. The firm approved this component of Fruge's OBA several months later, by which time customers had already paid substantial fees to the OBA. The next year, the digital real estate component of the OBA was reported to the firm. By this time, customers had already purchased over 900 digital real estate websites, and Fruge had earned a significant amount from his involvement with the OBA. Following its approval of the e-commerce storefront component of Fruge's OBA, the firm learned that the OBA had been marketed to other firm registered representatives, potentially creating a conflict of interest with Fruge's firm business. The firm warned Fruge to stop this conduct and requested further information about the company, including the names of any firm customers or registered representatives who had purchased e-commerce storefronts. Fruge did not provide the requested information. Fruge's failure to provide complete and prior written OBA disclosures to the firm—including his late disclosure of the e-commerce storefront component, the late disclosure of the digital real estate website component, and his failure to provide the list of firm representatives and customers who were also OBA customers—undermined the firm's ability to evaluate the OBA and determine whether to restrict or prohibit Fruge's participation in it. Later, the firm directed Fruge to stop engaging in any marketing activities for the e-commerce storefront component, which was the only component of the OBA Fruge had disclosed to it. Nonetheless, Fruge continued to market products of the company. Subsequently, the firm made Fruge choose between his OBA and working for it and he chose to continue with his OBA after winding down his firm business.

The suspension is in effect from December 4, 2023, through December 3, 2025. ([FINRA Case #2022074939302](#))

Stephen J. LaGreca (CRD #7569671, Dix Hills, New York)

November 28, 2023 – An AWC was issued in which LaGreca was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, LaGreca consented to the sanctions and to the entry of findings that he possessed unauthorized materials while taking the General Securities Representative

Series 7 exam. The findings stated that LaGreca took the exam from his home using a remote testing platform. Prior to beginning the exam, LaGreca attested that he had reviewed and would abide by FINRA's Rules of Conduct, which require candidates to store all personal items outside the room where they take the exam and prohibit access to personal items, including cell phones, during the exam. Prior to beginning the exam, and again during the exam, LaGreca also informed the proctor that his cell phone was in another room. However, during the exam LaGreca possessed and accessed his cell phone.

The suspension is in effect from December 4, 2023, through June 3, 2025.

[\(FINRA Case #2023078843001\)](#)

Ian James Prukner (CRD #5288581, Sarasota, Florida)

November 28, 2023 – An AWC was issued in which Prukner was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 24 months. Without admitting or denying the findings, Prukner consented to the sanctions and to the entry of findings that he engaged in an OBA as an owner and co-CEO of a company that engaged in e-commerce and lead generation without providing prior written notice to his member firm. The findings stated that the OBA's customers—including certain firm customers and registered representatives—each paid an up-front fee of at least \$40,000 per e-commerce storefront and \$4,000 per digital real estate website. The OBA's customers then received a percentage of any income those storefronts and websites generated. Prukner orally discussed the e-commerce storefront component of the OBA with senior compliance personnel at the firm's parent company. The firm then approved the e-commerce storefront component of Prukner's OBA, by which time more than 33 customers had already paid substantial fees to the OBA. Approximately six months later, the digital real estate component of the OBA was reported to the firm. By this time, over 200 OBA customers had already purchased over 900 digital real estate websites, and Prukner had earned substantial income from his involvement with the OBA. Following its approval of the e-commerce storefront component of Prukner's OBA, the firm learned that the OBA had been marketed to other firm registered representatives, potentially creating a conflict of interest with Prukner's firm business. The firm warned Prukner to stop this conduct and requested further information about the company, including the names of any firm customers or registered representatives who had purchased e-commerce storefronts. Prukner did not provide the requested information. Failure to provide complete and prior written OBA disclosures to the firm undermined its ability to evaluate the OBA and determine whether to restrict or prohibit Prukner's participation in it. The firm later directed Prukner to stop engaging in any marketing activities for the e-commerce storefront component, which was the only component of the OBA Prukner had disclosed to the firm. Nonetheless, Prukner continued to market products of the

company. Ultimately, the firm made Prukner choose between his OBA and working for it. Prukner chose to continue with his OBA and after winding down his firm business, he left the firm.

The suspension is in effect from December 4, 2023, through December 3, 2025. ([FINRA Case #2022074939301](#))

Melton Weaver III (CRD #5422319, Youngsville, Louisiana)

November 28, 2023 – An AWC was issued in which Weaver was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 24 months. Without admitting or denying the findings, Weaver consented to the sanctions and to the entry of findings that he engaged in an OBA as an owner and CFO of a company that engaged in e-commerce and lead generation without providing prior written notice to his member firm. The findings stated that the OBA's customers—including certain firm customers and registered representatives—each paid an up-front fee of at least \$40,000 per e-commerce storefront and \$4,000 per digital real estate website. The OBA's customers then received a percentage of any income those storefronts and websites generated. Another owner associated with the firm orally disclosed the e-commerce storefront component of the OBA to the firm. At the same time, the other owner also informed the firm that Weaver was involved with the OBA. Even though Weaver never disclosed any component of his OBA to the firm, it approved the e-commerce storefront component of his OBA. By this time, more than 33 customers had already paid substantial fees to the OBA. Later, the digital real estate component of the OBA was reported to the firm. By this time, over 200 OBA customers had already purchased over 900 digital real estate websites, and Weaver had earned a significant amount from his involvement with the OBA. Following its approval of the e-commerce storefront component of Weaver's OBA, the firm learned that the OBA had been marketed to other firm registered representatives, potentially creating a conflict of interest with Weaver's firm business. The firm warned Weaver to stop allowing his OBA to market its products in this manner and requested further information about the company, including the names of any firm customers or registered representatives who had purchased e-commerce storefronts. Weaver did not provide the requested information. Weaver's failure to provide complete and prior written OBA disclosures to the firm undermined its ability to evaluate the OBA and determine whether to restrict or prohibit Weaver's participation in it. Subsequently, the firm directed Weaver to stop allowing his OBA to market the e-commerce storefront component, which was the only component of the OBA that had been disclosed to the firm. Nonetheless, Weaver continued to allow his OBA to market products of the company. Later, the firm instructed Weaver to choose between his OBA and working for the firm. Weaver continued with his OBA, but he did not voluntarily resign from the firm. As a result, the firm ultimately discharged Weaver.

The suspension is in effect from December 4, 2023, through December 3, 2025. ([FINRA Case #2022074939303](#))

John Patterson Corey ([CRD #1032543](#), Lookout Mountain, Tennessee)

November 29, 2023 – An AWC was issued in which Corey was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Corey consented to the sanctions and to the entry of findings that he impersonated a customer in two telephone calls to his former member firm. The findings stated that Corey made the calls to the firm’s customer service line for the purpose of assisting his customer with transferring his accounts from that firm to Corey’s current member firm. On the first call, Corey could not provide answers to security questions, and the agent refused to provide him with any account information. On the second call, Corey was able to provide identifying information for the customer, and he successfully requested a copy of the customer’s final account statement, which the firm sent to Corey’s email address. Although the customer had authorized Corey to assist with transferring the accounts, he did not authorize Corey to impersonate him. The customer did not suffer any loss and did not complain.

The suspension was in effect from December 4, 2023, through December 22, 2023. ([FINRA Case #2022076212301](#))

Malay Kumar ([CRD #2482909](#), Mason, Ohio)

November 30, 2023 – An AWC was issued in which Kumar was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in all capacities for 12 months, and ordered to pay \$50,103.43, plus interest, in deferred restitution to customers. Without admitting or denying the findings, Kumar consented to the sanctions and to the entry of findings that he willfully violated Reg BI by recommending customers exchange variable annuities without reasonably considering the impact of the substantial surrender fees and the loss of benefits and liquidity caused by the exchanges. The findings stated that Kumar did not have a reasonable basis to believe his recommendations were suitable or in his customers’ best interest. Collectively, these exchange recommendations caused Kumar’s customers to incur \$50,103.43 in surrender fees. The findings also stated that Kumar provided inaccurate information about the source of funds on the transaction documents he submitted to his member firm and the annuity issuers. Specifically, Kumar failed to identify and submit variable annuity purchases as exchanges even though each purchase was funded by the sale of another variable annuity. In doing so, Kumar caused his firm to create and maintain inaccurate books and records.

The suspension is in effect from December 4, 2023, through December 3, 2024. ([FINRA Case #2022077257801](#))

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.)

Securities Capital Corporation (CRD #22892)

Birmingham, Alabama
(October 5, 2023 – November 17, 2023)
FINRA Case #20230790019

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.)

Bananafina LLC. (Funding Portal Org ID #309121)

North Miami, Florida
(November 14, 2023)

Enrichher Funding LLC (Funding Portal Org ID #292218)

Atlanta, Georgia
(November 14, 2023)

Fundopolis Portal, LLC (Funding Portal Org ID #292835)

Winchester, Massachusetts
(November 15, 2023)

Gridshare LLC (Funding Portal Org ID #283498)

Portland, Oregon
(November 15, 2023)

Ignite Social Impact, Inc. (Funding Portal Org ID #310501)

Bethesda, Maryland
(November 15, 2023)

MustrdSeed Portal LLC (Funding Portal Org ID #310919)

Atlanta, Georgia
(November 15, 2023)

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.)

Jack B. McBride (CRD #2517946)

Troy, Michigan
(November 7, 2023)
FINRA Case #2019061937601

Richard J. Webb (CRD #6712838)

Bolivar, Ohio
(November 20, 2023)
FINRA Case #2022076653101

William David Williford (CRD #468553)

Scottsdale, Arizona
(April 7, 2023 – November 13, 2023)
FINRA Case #2022075119501

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.)

Gabriela Chanel Alfaro (CRD #7609272)
Oxnard, California
(November 20, 2023)
FINRA Case #2023079176601

Vinessa Renee Christian (CRD #1860324)
Montclair, New Jersey
(November 24, 2023)
FINRA Case #2023078490201

Denzel J. Coleman (CRD #6757381)
Austell, Georgia
(November 24, 2023)
FINRA Case #2023078470501

Stalin Alfredo Cruz (CRD #2503461)
Bayside, New York
(November 6, 2023)
FINRA Case #2020066757802

Richard Lynn Goldston (CRD #4176824)
Fort Scott, Kansas
(November 6, 2023)
FINRA Case #2023078179701

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

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

Scott Wayne Reed (CRD #3007033)
Mesa, Arizona
(November 29, 2023)
FINRA Arbitration Case #20-02356

FINRA Fines BofA Securities \$24 Million for Treasuries Spoofing and Related Supervisory Failures

Firm Engaged in 717 Instances of Spoofing Activity

FINRA announced that it has fined [BofA Securities, Inc.](#) \$24 million for engaging in more than 700 instances of spoofing through two former traders in U.S. Treasury secondary markets and related supervisory failures spanning more than six years.

“Spoofing undermines the transparency and integrity of the markets by distorting the true nature of supply and demand. Spoofing is especially detrimental in the U.S. Treasury securities market, given its status as a benchmark for countless financial instruments and transactions,” said [Bill St. Louis, Executive Vice President and Head of Enforcement at FINRA](#). “This action sends a strong message that FINRA will aggressively pursue firms that engage in spoofing, including cross-product spoofing.”

Spoofing is a type of fraudulent trading that involves the use of non-bona fide orders (orders that the trader does not intend to have executed) to create a false appearance of market activity on one side of the market to induce other market participants to execute against bona fide orders entered on the opposite side of the market. Spoofing may deceive other market participants into trading at a time, price or quantity that they otherwise would not have.

From October 2014 through February 2021, BofA Securities, through a former supervisor and a former junior trader, engaged in 717 instances of spoofing in a U.S. Treasury security to induce opposite-side executions in the same Treasury security or a correlated Treasury futures contract.

From at least October 2014 through September 2022, BofA Securities failed to establish and maintain a supervisory system reasonably designed to detect spoofing in U.S. Treasury markets. BofA Securities did not have a supervisory system to detect spoofing in Treasuries until November 2015; until mid-2019, that system was deficient in that it was designed to detect spoofing by trading algorithms, not manual spoofing by its traders, like the 717 instances addressed in the settlement. In addition, until at least December 2020, BofA Securities' surveillance did not capture orders its traders entered into certain systems provided by external venues. Lastly, BofA Securities did not supervise for potential cross-product spoofing in Treasuries through September 2022.

FINRA has discussed spoofing and related regulatory obligations in its Annual Risk Monitoring and Examination Priorities letters and its Examination and Risk Monitoring Program Reports, including its most recent [2023 Exam Report](#).

In settling [this matter](#), BofA Securities consented to the entry of FINRA's findings, without admitting or denying the charges.