

Disciplinary and Other FINRA Actions

Firm Expelled, Individuals Sanctioned

WM. H. Murphy & Co., Inc. ([CRD® #27274](#), Houston, Texas) and William Herbert Murphy ([CRD #343492](#), Houston, Texas)

November 9, 2018 – The firm and Murphy appealed a National Adjudicatory Council (NAC) decision to the Securities and Exchange Commission (SEC). The firm was fined \$100,000, \$50,000 of which is to be paid jointly and severally with Murphy, and ordered to pay \$23,230.05, plus prejudgment interest, in disgorgement. Murphy was fined \$50,000, jointly and severally with the firm, suspended from association with any FINRA® member in any capacity for six months, and required to re-qualify by examination before re-entering the securities industry in any capacity requiring qualification. The NAC affirmed the findings and modified the sanctions imposed by the Office of Hearing Officers (OHO). The sanctions were based on findings that the firm offered and sold over \$1 million in unregistered, non-exempt securities to customers. The findings stated that the unregistered securities were sold through general solicitation and, as such, did not qualify for an exemption from registration. The firm entered into an Office of Supervisory Jurisdiction (OSJ) arrangement with a non-registered entity and sponsored eligible employees as FINRA registered representatives who then marketed and distributed affiliated real estate private offerings via public radio shows and workshops. The findings also stated that the firm, acting through Murphy, failed to implement and enforce a supervisory system, including written supervisory procedures (WSPs), for the marketing and sales of the affiliated private offerings that was reasonably designed to achieve compliance with Section 5 of the Securities Act of 1933 and FINRA rules. The firm had no detailed written procedures to ensure that its registered persons did not solicit the general public for potential investors. There were no firm supervisory controls or written procedures prohibiting customers generated from the radio shows and workshops from purchasing existing offerings before establishing a substantive relationship with the firm or the issuer, or detecting red flags indicating that offers and sales by registered persons were being made via a general solicitation.

The sanctions are not in effect pending review. ([FINRA Case #2012030731802](#))

Reported for January 2019

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).

Firms Fined

J.V.B. Financial Group, LLC ([CRD #149758](#), New York, New York)

November 6, 2018 – A Letter of Acceptance, Waiver and Consent (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 establish, document and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory and other risks associated with market access. The findings stated that the firm used multiple alternative trading systems to execute fixed income transactions. However, the firm did not have any automated pre-trade controls and supervisory procedures to prevent the entry of orders that exceeded pre-set capital limits. As a result, the firm's capital limits were breached on at least four occasions. Nonetheless, these breaches did not cause the firm to fall below its minimum net capital requirements. While the firm implemented hard blocks for its capital limits, it failed to do so across all of its order management systems. In addition, the firm relied upon traders' manual, non-automated identification of potentially duplicate orders, which was unreasonable. When the firm began relying on automated alerts within its order management system to prevent duplicative orders, it failed to have controls reasonably designed to prevent duplicative orders for two asset classes. The firm's failure to have a system, including written procedures, to regularly review the effectiveness of its risk management controls and supervisory procedures resulted in its failure to conduct such a review for one year and it failed to certify that its risk management controls and supervisory procedures complied with paragraphs (b) and (c) of the Securities Exchange Act Rule 15c3-5 in its annual CEO certification. ([FINRA Case #2015047526601](#))

RBC Capital Markets, LLC ([CRD #31194](#), New York, New York)

November 8, 2018 – An AWC was issued in which the firm was censured and fined \$215,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to implement and enforce a supervisory system reasonably designed to achieve compliance with the applicable securities laws and regulations, including SEC and FINRA rules, regarding the close-out of fail-to-deliver positions. The findings stated that the firm misapplied the SEC's regulatory guidance regarding the multi-day approach to calculating credit toward a close-out obligation when allocating and subsequently tracking fails on behalf of its affiliated correspondent broker-dealer firm. This resulted in fails extending beyond the time required for bona fide market making activity. The findings also stated that the firm had a fail-to-deliver position at a registered clearing agency in an equity security that was attributable to market-making activities, and did not close out the fail-to-deliver positions by purchasing or borrowing securities of like kind and quantity within the time prescribed by SEC Rule 204(a)(3). The findings also included that the firm had a fail-to-deliver position at a registered clearing agency in an equity security and did not close out the fail-to-deliver positions by purchasing or borrowing securities of like kind and quantity within the time prescribed by SEC Rule 204(a). ([FINRA Case #2013039211801](#))

Third500, LLC fka Healthios Capital Markets, LLC ([CRD #115542](#), Evanston, Illinois)

November 15, 2018 – 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 allowed four individuals to conduct investment banking activities without requiring that they pass the Investment Banking Representative (Series 79) examination, and become qualified and registered as investment banking representatives. The findings stated that the firm was aware of the individuals' investment banking activities and that they were not qualified and registered to engage in such work. The firm incorrectly concluded that one person registered as a general securities representative was already qualified as an investment banking representative and it instructed the other three individuals to take the Series 79 exam but then failed to follow up to ensure they had taken and passed it. These individuals took part in various investment banking activities, such as soliciting emerging companies to retain the firm's services in preparing for private offerings, conducting investment banking research, creating models and presentations, and developing potential investor lists. The findings also stated the firm failed to establish, maintain and enforce supervisory systems and WSPs reasonably designed to ensure that it and its registered representatives were in compliance with FINRA's registration rules, including that its representatives were properly qualified and registered to conduct the investment banking business they were engaged in. The firm's supervisory system failed to identify who was responsible for ensuring the proper qualification and registration of its investment banking representatives, and failed to describe how the responsible individual would ensure that representatives acquired the necessary qualifications before they engaged in investment banking activities. ([FINRA Case #2016048228001](#))

Melvin Securities, L.L.C. ([CRD #29767](#), Chicago, Illinois)

November 19, 2018 – An AWC was issued in which the firm was censured and fined \$15,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to make and keep current an accurate trial balance, general ledger and net capital calculation by failing to timely accrue liabilities for certain invoices. The findings stated that the firm filed inaccurate FOCUS reports that overstated its net capital and an inaccurate FOCUS report that understated its net capital. The findings also stated the firm's net capital fell below the minimum of \$100,000 that SEC Rule 15c3-1 required it to maintain at all times. In addition, the firm failed to make and keep current an accurate general ledger and trail balance by failing to reconcile the cash reported on those records with the actual cash balances in its bank accounts. ([FINRA Case #2016048230601](#))

H. Beck, Inc. ([CRD #1763](#), Rockville, Maryland)

November 20, 2018 – An AWC was issued in which the firm was censured, fined \$400,000, and required to review and revise, as necessary, its systems, policies and procedures (written and otherwise) and training with respect to the areas described within 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 WSPs reasonably designed to achieve compliance with applicable securities laws, regulations and FINRA rules concerning multi-share class variable annuities. The findings stated that the firm's WSPs failed to address suitability considerations pertaining to the fees, costs and surrender periods associated with different variable annuity share classes. The firm's WSPs were silent as to the potential suitability concerns raised by the sale of L-share contracts to customers with long-term time horizons and particularly when combined with long-term riders. The firm's supervisory system failed to provide sufficient training to its registered representatives and reviewing principals to ensure that they understood the suitability considerations and material features of variable annuities, as required by FINRA Rule 2330(e). The findings also stated the firm failed to enforce its WSPs regarding consolidated reports issued by representatives to customers. The firm failed to conduct the mandated heightened review of a sample of the consolidated reports created by representatives, failed to enforce its prohibition against manually calculated performance data in consolidated reports, and the firm's branch office inspection personnel failed to review consolidated reports on certain occasions while conducting inspections of branch offices. ([FINRA Case #2017052326501](#))

Firm Sanctioned

Commonwealth Equity Services, LLC dba Commonwealth Financial Network ([CRD #8032](#), Waltham, Massachusetts)

November 9, 2018 – An AWC was issued in which the firm was censured and required to provide remediation to eligible customers who qualified for, but did not receive, the applicable mutual fund sales-charge waiver. As part of this settlement, the firm has paid restitution to eligible customers, which is estimated to total \$888,337 (the amount eligible customers were overcharged, inclusive of interest). Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it disadvantaged certain retirement plan and charitable organization customers that were eligible to purchase Class A shares in certain mutual funds without a front-end sales charge. The findings stated that these eligible customers were instead sold Class A shares with a front-end sales charge or Class B or C shares with back-end sales charges and higher ongoing fees and expenses. These sales disadvantaged eligible customers by causing such customers to pay higher fees than they were actually required to pay. The findings also stated that the firm failed to reasonably supervise the application of sales-charge waivers to eligible mutual fund sales. The firm relied on its financial advisors to determine the applicability of sales charge waivers, but failed to maintain WSPs reasonably designed to assist financial advisors in making this determination. In addition, the firm failed to train its financial advisors regarding the availability of mutual fund sales-charge waivers for eligible customers. The firm failed to adopt controls reasonably designed to detect instances in which they did not provide sales-charge waivers to eligible customers in connection with their mutual fund purchases. As a result of the firm's failure to apply available sales charge waivers, the firm estimates that eligible customers were overcharged by \$766,295 for mutual fund purchases made since July 1, 2009. ([FINRA Case #2016049975901](#))

Individuals Barred

James Randall Clay ([CRD #5748560](#), Clarksville, Tennessee)

November 1, 2018 – An OHO decision became final in which Clay was barred from association with any FINRA member in all capacities. The sanction was based on findings that Clay engaged in outside business activities without providing prior written notice to his member firm. The findings stated that Clay used his relationship with an elderly customer to buy real estate from the customer under terms that benefited only himself. Clay drafted and signed a hand-written agreement to purchase the customer's rental property for \$1 million, with the customer financing the entire amount. Under the agreement, Clay also borrowed \$500,000 from the customer to fund Clay's down payment on the property and improvements to it. Clay established a limited liability company to manage the rental property and began collecting rent. Clay never provided written notice of this outside business to his firm. The findings also stated that after the customer's family complained to the firm, Clay falsely told the firm his sister purchased the rental property, and he was not personally involved in the purchase or subsequent management of the property. The findings also included that Clay provided the same false information to FINRA in response to requests for information and documents and during on-the-record testimony. This information was pivotal to FINRA's investigation, and Clay's misrepresentations were designed to conceal his misconduct and divert the investigation away from him. ([FINRA Case #2014039775501](#))

Marc Anthony Last ([CRD #6366775](#), Conshohocken, Pennsylvania)

November 1, 2018 – An Offer of Settlement was issued in which Last was barred from association with any FINRA member in all capacities. Without admitting or denying the allegations, Last consented to the sanction and to the entry of findings that he converted \$5,000 from one of his customer's variable annuity accounts. The findings stated that Last forged the customer's signature on a partial withdrawal form and directed the transfer of the funds to his personal bank account without the customer's knowledge or authorization. The findings also stated that Last caused his member firm to make and preserve inaccurate books and records by making inaccurate entries on the partial withdrawal form by falsely representing that the bank account receiving the \$5,000 wire transfer from the customer's variable annuity belonged to the customer, and by adding the customer's forged signature. The findings also included that Last failed to provide FINRA with documents and information, and requested testimony, in connection with its investigation of the matter. ([FINRA Case #2016052434001](#))

Gopi Krishna Vungarala ([CRD #4856193](#), Decatur, Texas)

November 1, 2018 – Respondent Gopi Krishna Vungarala has appealed a NAC decision to the SEC. The NAC barred Vungarala from association with any FINRA member in any capacity and ordered him to disgorge \$9,682,629, plus interest. The NAC affirmed the findings and sanctions imposed by OHO. The sanctions were based on findings that Vungarala willfully violated Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 thereunder and FINRA Rules 2020 and 2010 by making materially false and misleading statements to conceal his commissions on investments made by a Native American tribe he was employed by to manage its investment portfolio. The findings stated that Vungarala persuaded the tribe to invest in real estate investment trusts (REITs) and business development companies through a broker-dealer firm where he told the tribe he parked his registration. As a result, Vungarala received over \$9 million in commissions. Through false and misleading statements, Vungarala repeatedly led the tribe to believe that he did not receive commissions on its transactions and that he had no conflict of interest. The findings also stated that Vungarala willfully misled the tribe regarding its eligibility for volume discounts, failing to disclose to the tribe that it was eligible to receive more than \$3.3 million in volume discounts. Vungarala personally benefited from his misstatements and omissions concerning volume discounts because the discounts would have reduced his commissions.

The bar remains in effect while under review by the SEC. ([FINRA Case #2014042291901](#))

Terrance S. Hood ([CRD #4900966](#), San Antonio, Texas)

November 2, 2018 – An AWC was issued in which Hood was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Hood consented to the sanction and to the entry of findings that he converted \$4,910 from his member firm by submitting reimbursement requests that contained falsified signatures and payment invoices from a childcare provider in order to receive reimbursements from the firm. The findings stated that the provider did not care for Hood's children and, as a result, Hood was not entitled to receive the reimbursements from the firm. ([FINRA Case #2017054093801](#))

Matthew David Rubin ([CRD #4869755](#), Wayne, New Jersey)

November 5, 2018 – A NAC decision became final in which Rubin was barred from association with any FINRA member in all capacities. The NAC affirmed the findings and the sanctions imposed by the OHO. The sanction was based on findings that Rubin acted unethically by initiating 12 unfunded Automated Clearinghouse (ACH) requests for electronic fund transfers from his personal bank account to his brokerage account with his member firm, totaling approximately \$18 million, to create the false impression that his brokerage account and his securities trading activities were funded by significantly greater amounts than they actually were. The findings stated that Rubin was able to use the ACH requests to make it appear as if he had deposited cash into his brokerage account at his firm because he learned that the firm credited the amounts of the requests to his brokerage account for periods of time—often more than a week—before his lack of funds ultimately caused the transfers to fail. These extensions of credit artificially inflated the value of Rubin's brokerage account, enabling him to appear to meet margin calls, avoid

the issuance of margin calls and appear to satisfy his obligations to fund his securities transactions. Additionally, Rubin mismarked certain short sales in his brokerage account as sales not long, which indicated to the firm that he held those securities outside of his firm's brokerage account and would deliver the securities to cover the sales. In fact, Rubin did not own securities to cover all of the sales that he identified as "sales not long." Because Rubin mismarked the sales, the firm's systems did not include those transactions when calculating his margin limits, which would have occurred if he had correctly entered the transactions as short sales. Rubin's misconduct went undetected because he misled and lied to his supervisors and other staff at his firm. Rubin voluntarily resigned from the firm shortly after it began a formal investigation into his trading activity. The findings also stated that Rubin willfully caused his member firm to extend him margin credit in contravention of Regulation T and that he thereby willfully violated Section 7(f) of the Exchange Act of 1934 and Regulation X promulgated thereunder. ([FINRA Case #2012033832501](#))

Thomas A. Davis ([CRD #6121035](#), Midway, Georgia)

November 6, 2018 – An OHO decision became final in which Davis was barred from association with any FINRA member in all capacities. The sanction was based on findings that Davis converted \$2,226 from his employer, an affiliated bank of his member firm. The findings stated that Davis intentionally issued \$2,226 in unwarranted cash credits purportedly on the bank's behalf to bank customers. Davis subsequently withdrew and spent the credited funds without the customers' or the bank's knowledge or authorization. Davis withdrew the funds by using debit cards he issued in the customers' names but kept for himself. The findings also stated Davis failed to appear and provide on-the-record testimony to FINRA. ([FINRA Case #2016050741702](#))

Melissa Lynn Alverio ([CRD #5844392](#), Downingtown, Pennsylvania)

November 7, 2018 – An AWC was issued in which Alverio was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Alverio consented to the sanction and to the entry of findings that she improperly used the funds of customers and her member firm to conceal her improper transfer of \$500,000 from the firm's clearance account into a customer's account. The findings stated that a customer initiated a non-automated customer account transfer of \$500,000 from the customer's outside account to the customer's account with the firm. The registered representative on the account relied on Alverio to complete the transfer; however, Alverio forgot about the transaction. Later, the representative contacted Alverio again regarding the transfer, and rather than admit her mistake, Alverio told the representative that the transfer would be processed that day. Instead of transferring funds between the customer's outside and firm accounts, Alverio improperly transferred the funds from the firm's clearance account into the customer's account. Subsequently, Alverio engaged in a series of transactions moving funds from the accounts of customers and the firm in a failed attempt to conceal the \$500,000 she took from the firm clearance account. The findings also stated that Alverio provided false information on multiple firm transfer forms, and caused the firm to create and maintain inaccurate books and records. In addition, when provided an opportunity to admit to the misconduct, Alverio lied to the firm and claimed the mistake was an error by another firm. ([FINRA Case #2017055910201](#))

Jahanara Nissar ([CRD #4930401](#), New York, New York)

November 8, 2018 – An AWC was issued in which Nissar was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Nissar consented to the sanction and to the entry of findings that she converted approximately \$5,000 from her member firm by deliberately submitting false claims for business expense reimbursement to the firm. The findings stated that based on these submissions, the firm paid Nissar approximately \$5,000. Later, Nissar pleaded guilty in the New York State Supreme Court in New York County to a misdemeanor charge of falsifying business records by submitting fraudulent expense reports and paid \$5,000 in restitution to the firm. ([FINRA Case #2017055921701](#))

Kenneth Anthony Luccioni ([CRD #719779](#), Elgin, Illinois)

November 9, 2018 – An AWC was issued in which Luccioni was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Luccioni consented to the sanction and to the entry of findings that he failed to provide documents and information requested by FINRA in connection with an investigation into whether he had failed to disclose federal and state tax liens on his Uniform Application for Securities Industry Registration or Transfer (Form U4). ([FINRA Case #2018058975901](#))

John Joseph Baldeck ([CRD #2402939](#), Coeur D'Alene, Idaho)

November 12, 2018 – An AWC was issued in which Baldeck was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Baldeck consented to the sanction and to the entry of findings that he refused to complete FINRA on-the-record testimony in connection with its investigation concerning his request and receipt of reimbursement from his member firm for expenses described as client meal expenses, when the meals were actually personal in nature. ([FINRA Case #2016050321501](#))

Terrence Raymond Puricelli ([CRD #4298711](#), Ballwin, Missouri)

November 15, 2018 – An AWC was issued in which Puricelli was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Puricelli consented to the sanction and to the entry of findings that he failed to provide FINRA with requested information in connection with its investigation concerning his discharge from his member firm for use of time and price discretion and concerns relating to accuracy of notes placed on the firm's system. ([FINRA Case #2016051482301](#))

Robert Lee Basile ([CRD #2392772](#), Chino, California)

November 16, 2018 – An AWC was issued in which Basile was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Basile consented to the sanction and to the entry of findings that he converted over \$130,000 from his elderly mother's brokerage account at his member firm, without her knowledge or consent. The findings stated that while Basile served as the broker on his mother's account, he withdrew the funds from the account and used them to pay his own living expenses. ([FINRA Case #2018058953201](#))

John Robert Nicholson ([CRD #2661099](#), Alpharetta, Georgia)

November 19, 2018 – An AWC was issued in which Nicholson was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Nicholson consented to the sanction and to the entry of findings that he converted \$1,959.80 from his member firm by submitting false expense reports. The findings stated that while Nicholson was a complex manager at the firm, he was permitted to request and obtain reimbursement for car mileage expenses that he incurred. Nicholson intentionally submitted false expense reports to the firm overstating the miles he actually traveled and claiming that he incurred fictitious mileage expenses in order to obtain funds from the firm that he was not entitled to receive. ([FINRA Case #2016052411501](#))

Cheryl Ann Stallings ([CRD #1162913](#), Amarillo, Texas)

November 19, 2018 – An AWC was issued in which Stallings was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Stallings consented to the sanction and to the entry of findings that she circumvented her member firm's supervisory system and procedures and prevented the firm from properly supervising her by failing to disclose that she was named as power of attorney for a firm customer, had custody of two firm customers' bank accounts and was named as successor trustee and beneficiary of a firm customer's trust. The findings stated that the customers for whom Stallings had custody of their bank accounts designated her as their transfer-on-death beneficiary to their accounts. Thus, upon the customers' deaths, more than \$60,000 passed to Stallings from the customers' bank accounts. In addition, one of the two customers appointed Stallings as successor trustee over the customer's living trust and named Stallings as a beneficiary of the trust, granting her a \$248,000 payment from the trust. The findings also stated that Stallings improperly used approximately \$5,300 of a firm customer's funds to pay for her personal expenses rather than return the funds (dividends and interest) to the beneficiaries of the brokerage account. The findings also included that Stallings made false statements and misrepresentations to her firm on annual compliance questionnaires by falsely stating she had not been granted control over any customer assets and falsely denying she had been granted any power of attorney over a firm customer. In addition, on a request form submitted to the firm requesting permission to act as trustee for a customer's trust, Stallings falsely stated that the customer was her aunt. ([FINRA Case #2016051267401](#))

Anthony Fusco ([CRD #2704753](#), Staten Island, New York)

November 21, 2018 – An AWC was issued in which Fusco was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Fusco consented to the sanction and to the entry of findings that he refused to appear for FINRA on-the-record testimony in connection with its investigation of allegations concerning red flags indicating trading misconduct at his member firm. The findings stated that at all times relevant to the investigation, Fusco was the firm's CEO and responsible for ensuring that the firm exercised supervision reasonably designed to achieve compliance with securities laws and FINRA rules. ([FINRA Case #2017054982401](#))

Frank Roland Dietrich ([CRD #2506091](#), Fairfax Station, Virginia)

November 26, 2018 – An AWC was issued in which Dietrich was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Dietrich consented to the sanction and to the entry of findings that he did not provide notice to, nor did he obtain approval from, his member firm prior to participating in private securities transactions. The findings stated that Dietrich solicited investors to purchase promissory notes relating to a purported real estate investment fund, which later filed a voluntary Chapter 11 bankruptcy petition. Ultimately, Dietrich sold \$10,831,645 in the fund's notes to investors, some of whom were customers of Dietrich's member firm. Dietrich received a total of \$260,864 in commissions in connection with these transactions. ([FINRA Case #2018057197801](#))

Jason Ryan David ([CRD #6702639](#), Chicago, Illinois)

November 27, 2018 – An OHO decision became final in which David was barred from association with any FINRA member in all capacities. The sanction was based on the findings that he possessed unauthorized study materials during, and cheated on, two Uniform Combined State Law (Series 66) examinations. The findings stated that David consulted a study guide during unscheduled exam breaks and changed his answers to several questions on the exams after consulting the study guide. ([FINRA Case #2017053669301](#))

Mark Joseph Flanagan ([CRD #1949836](#), Highland Park, Illinois)

November 27, 2018 – An AWC was issued in which Flanagan was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Flanagan consented to the sanction and to the entry of findings that he refused to appear for FINRA on-the-record testimony during the course of an investigation initiated by FINRA after it received a Form U5 filed by his former member firm. The findings stated that the firm disclosed that Flanagan had been discharged for the firm's loss of confidence in him following an internal investigation into allegations in a customer complaint, violation of firm policy by using personal email to communicate with the client, and failure to obtain firm approval for a letter verifying investment income on behalf of the client. ([FINRA Case #2017053609202](#))

Arturo Alejandro Nunez ([CRD #4701686](#), Miami Lakes, Florida)

November 27, 2018 – An AWC was issued in which Nunez was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Nunez consented to the sanction and to the entry of findings that on two occasions he left before completing FINRA on-the-record testimony and refused to answer certain questions in connection with its investigation into whether he, among other things, improperly shared commissions. ([FINRA Case #2016050694701](#))

Sean J. Waters ([CRD #4414180](#), Hemet, California)

November 28, 2018 – An AWC was issued in which Waters was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Waters consented to the sanction and to the entry of findings that he willfully violated Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, and FINRA Rules 2020, 2111 and 2010 by churning and excessive and unsuitable trading in accounts held by a senior customer at his member firm. The findings stated that Waters' trading in the customer's accounts was excessive and conducted with reckless disregard for her interests. Waters' trading resulted in more than \$88,000 in cumulative losses to the customer out of \$150,000 she initially transferred to the firm, while he generated commissions, markups/markdowns and fees totaling approximately \$115,000. In fact, during a four-year period, Waters earned 40 percent of his total commissions solely from the trading he did in the customer's accounts. ([FINRA Case #2017054755203](#))

Fallan E. King ([CRD #5481720](#), Smyrna, Delaware)

November 29, 2018 – An AWC was issued in which King was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, King consented to the sanction and to the entry of findings that she refused to appear for on-the-record testimony requested by FINRA during the course of an investigation into allegations that she submitted false expense reports to her member firm. ([FINRA Case #2018057607501](#))

Noel Carino ([CRD #3159932](#), Blue Springs, Missouri)

November 30, 2018 – An AWC was issued in which Carino was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Carino consented to the sanction and to the entry of findings that he refused to provide documents and information requested by FINRA in connection with its investigation into whether he engaged in outside business activities without written notice to his member firm, whether he engaged in private securities transactions without written notice to or approval from the firm, and whether he reported all outside brokerage accounts in which he had an interest to the firm. ([FINRA Case #2018057737501](#))

Michael Andrew Norman ([CRD #2092589](#), Reno, Nevada)

November 30, 2018 – An AWC was issued in which Norman was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Norman consented to the sanction and to the entry of findings that he failed to provide documents and information requested by FINRA in connection with its investigation into allegations that he loaned money to a customer so that the customer could purchase securities. ([FINRA Case #2018058884301](#))

Individuals Suspended

Clinton Brian Galyean ([CRD #4468512](#), Gainesville, Georgia)

November 5, 2018 – An AWC was issued in which Galyean was fined \$10,000 and suspended from association with any FINRA member in all capacities for 60 days. Without admitting or denying the findings, Galyean consented to the sanctions and to the entry of findings that he used a personal email account to conduct his securities business, including to communicate with customers and prospective customers. The findings stated that Galyean's member firm discovered he had been using his personal email account to conduct some of his securities business and requested that he provide his personal email account password so that the firm could review the nature and extent of the securities business he had conducted through personal email. Although Galyean at first provided his password to the firm, he subsequently began deleting emails from his personal account, and then changed his password, in an attempt to prevent the firm from further accessing his emails. The findings also stated that by using personal email to conduct his securities business, Galyean caused the firm to maintain inaccurate books and records. The findings also included that Galyean certified inaccurately on the firm's annual compliance questionnaires that he did not use personal email to conduct his securities business.

The suspension is in effect from December 3, 2018, through January 31, 2019. ([FINRA Case #2017052960801](#))

Luke Andrew Powell ([CRD #2605657](#), Alamo, California)

November 5, 2018 – An AWC was issued in which Powell was fined \$5,000, suspended from association with any FINRA member in all capacities for three months and ordered to pay \$17,500, plus interest, in disgorgement of commissions received. Without admitting or denying the findings, Powell consented to the sanctions and to the entry of findings that he participated in private securities transactions totaling \$350,000 without providing written notice to, or obtaining written permission from, his member firm. The findings stated that Powell, through a company that his firm previously approved as an outside business activity, entered into an agreement with a company that he was not affiliated with to participate in a private offering of its convertible notes. Powell marketed the offering and introduced a venture capital fund to the company. The venture capital fund then invested in the offering. The venture capital fund was not a firm client. Powell also arranged for the placement of the offering on a crowdfunding website. Powell received \$17,500 for his participation in these investments.

The suspension is in effect from December 3, 2018, through March 2, 2019. ([FINRA Case #2015045185501](#))

Michael Scott Livermore ([CRD #2579957](#), Tracy, California)

November 9, 2018 – An AWC was issued in which Livermore was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Livermore consented to the sanctions and to the entry of findings that he willfully failed to file a Form U4 amendment to disclose that he had been charged with two felonies.

The suspension is in effect from November 19, 2018, through May 18, 2019. ([FINRA Case #2018057213301](#))

Mark Stewart Saunders ([CRD #3060799](#), Monroe City, Missouri)

November 9, 2018 – An AWC was issued in which Saunders was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for 30 business days. Without admitting or denying the findings, Saunders consented to the sanctions and to the entry of findings that he accepted instructions to effect transactions in customer accounts from a third party who did not have written authorization accepted by his member firm to provide instructions. The findings stated that prior to purchasing mutual funds in a trust account, Saunders did not obtain authorization from either of the two co-trustees, a married couple, who were authorized to act on behalf of the trust. Instead, Saunders obtained authorization from their daughter, who did not have written authorization to provide instructions for the account. The findings also stated that Saunders accepted instructions to purchase mutual funds in a customer's 529 plan accounts from the customer's daughter, who did not have written authorization accepted by the firm to provide instructions for the accounts.

The suspension was in effect from November 19, 2018, through January 2, 2019. ([FINRA Case #2018058028601](#))

Hector Villalta ([CRD #5857282](#), Los Angeles, California)

November 9, 2018 – An AWC was issued in which Villalta was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Villalta consented to the sanctions and to the entry of findings that he engaged in an outside business activity without providing his member firm with prior written notice. The findings stated that Villalta leased vehicles and referred others to lease vehicles on behalf of a third-party company, earning approximately \$6,000 in compensation. Villalta inaccurately stated on his annual compliance certifications that he did not have any new or existing outside business activities to disclose. When Villalta requested approval to work with the company as an outside business activity, he did not disclose that he was engaging in leasing activities.

The suspension is in effect from November 19, 2018, through January 18, 2019. ([FINRA Case #2017053281101](#))

David Adam Elgart ([CRD #825759](#), Roswell, Georgia)

November 13, 2018 – A U.S. Court of Appeals for the Eleventh Circuit decision to deny Elgart’s petition for review became final. Elgart had petitioned the court for review of an SEC order that sustained the NAC’s findings and sanctions imposed. Elgart was fined a total of \$20,000, suspended from association with any FINRA member in all capacities for six months and suspended from association with any FINRA member in all capacities for 30 business days, to be served consecutively. The sanctions were based on findings that Elgart willfully failed to timely disclose five tax liens on his Form U4. The findings stated that Elgart was aware of his tax liens and of the straightforward requirement to disclose them, yet he voluntarily did not timely update his Form U4. The findings also stated that Elgart provided false information to FINRA in bad faith by intentionally and dishonestly providing a false response on a personal activity questionnaire. Elgart did not correct the false response, even after FINRA requested that he do so. In addition, Elgart’s conduct contributed to a pattern of misconduct, considering that his failure to timely amend his Form U4 and his providing of a false response on the questionnaire both involved withholding information about his liens from regulators. Moreover, the information that FINRA requested was important. Truthful information about the liens would have informed FINRA that Elgart had withheld material information from customers, member firms and regulators for years, in violation of his disclosure obligations.

The suspension is in effect from December 3, 2018, through July 15, 2019. ([FINRA Case #2013035211801](#))

Ronald Jacob Dawson ([CRD #5418933](#), Appomattox, Virginia)

November 14, 2018 – An AWC was issued in which Dawson 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, Dawson consented to the sanctions and to the entry of findings that he borrowed \$250,000 from a customer contrary to his member firm’s policies. The findings stated that Dawson borrowed the money from a customer through a corporation formed to conduct business at a new firm with which he anticipated affiliating, and used the borrowed funds to remodel office space that he planned to occupy. Dawson did not notify or seek approval of the loan from the firm.

The suspension was in effect from November 19, 2018, through January 2, 2019. ([FINRA Case #2016050800401](#))

Carol Ann Holesha ([CRD #1490209](#), Chicago, Illinois)

November 16, 2018 – An AWC was issued in which Holesha was assessed a deferred fine of \$7,500, suspended from association with any FINRA member in all capacities for five months, and ordered to pay \$125,000, plus interest, in deferred restitution to a customer. Without admitting or denying the findings, Holesha consented to the sanctions and to the entry of findings that she borrowed \$125,000 from a personal friend and senior customer of her member firm, in order to facilitate a real estate purchase, without notifying the firm. The findings stated that Holesha did not seek an exception to the firm’s general prohibition against borrowing money from others, nor did she seek or receive prior approval from the firm before entering into the lending arrangement with the customer. There was no promissory note or other document memorializing the loan from the customer to Holesha,

and the oral agreement that Holesha and the customer entered into had no specific terms regarding interest or repayment. Based on the oral agreement, Holesha agreed to repay the customer the borrowed funds in the future. The findings also stated that Holesha made misstatements to the firm in her annual compliance questionnaires by stating that she had not borrowed or loaned any money or securities from or to another individual or entity.

The suspension is in effect from November 19, 2018, through April 18, 2019. ([FINRA Case #2018059481701](#))

John Huey Neely ([CRD #501565](#), Edmond, Oklahoma)

November 16, 2018 – An AWC was issued in which Neely 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, Neely consented to the sanctions and to the entry of findings that he exercised discretion in effecting transactions in customers' brokerage accounts without obtaining written approval from the customers, and without his member firm having accepted the accounts as discretionary. The findings stated that the customers verbally authorized Neely to exercise discretion in their accounts; however, the firm prohibited the use of discretion in brokerage accounts.

The suspension was in effect from November 19, 2018, through December 10, 2018. ([FINRA Case #2015043584402](#))

Raymond John Pirrello Jr. ([CRD #2782019](#), Sparta, New Jersey)

November 20, 2018 – An AWC was issued in which Pirrello was fined \$20,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Pirrello consented to the sanctions and to the entry of findings that he caused his member firm to fail to comply with its recordkeeping obligations by using text messaging and his personal email account to engage in business-related communications with a customer. The findings stated that these communications included a written complaint by a customer alleging that Pirrello failed to follow the customer's instructions, which the customer alleged caused him to suffer approximately \$300,000 in damages. Pirrello did not take steps to retain or provide his firm with any of the text messages or emails he exchanged with the customer, all of which were deleted. The findings also stated Pirrello provided misleading on-the-record testimony to FINRA stating that he did not send text messages to his customers, which Pirrello later corrected in subsequent testimony. The findings also stated that Pirrello willfully failed to disclose the above-referenced customer complaint on his Form U4. FINRA also found that Pirrello attempted to settle away two customer complaints and did not tell his firm about the complaints or his efforts to settle them. FINRA also found that Pirrello further hid his actions from his firm by signing compliance attestations falsely attesting that he used only firm-sanctioned electronic communication methods to communicate with firm customers, complied with his obligation to update his Form U4, reported all customer complaints to the firm, and that he had not settled away any customer complaints.

The suspension is in effect from December 3, 2018, through June 2, 2020. ([FINRA Case #2017053436101](#))

Richard Aloysius Juracka ([CRD #708735](#), Bayside, New York)

November 21, 2018 – An AWC was issued in which Juracka 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, Juracka consented to the sanctions and to the entry of findings that he effected discretionary transactions in customer accounts without obtaining written authorization from his customers or from his member firm to make trades on a discretionary basis. The findings stated that although the customers had given Juracka express or implied authority to exercise discretion in their accounts, none of the customers had provided written authorization. The findings also stated Juracka provided a false response on an annual compliance questionnaire submitted to the firm that indicated that he had not exercised discretion in any customer account.

The suspension is in effect from December 17, 2018, through January 15, 2019. ([FINRA Case #2017055321601](#))

David Howard Fagenson ([CRD #1652012](#), Palm Beach Gardens, Florida)

November 21, 2018 – An AWC was issued in which Fagenson was suspended from association with any FINRA member in all capacities for eight months. In light of Fagenson's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Fagenson consented to the sanction and to the entry of findings that he engaged in quantitatively unsuitable trading in the accounts of three senior customers. The findings stated that Fagenson recommended the trading in these accounts, and the customers followed such recommendations. The customers did not propose any trades of their own, and as a result, Fagenson exercised de facto control over these customers' brokerage accounts. One customer's brokerage account lost approximately \$283,314, while generating more than \$260,000 in commissions and markups for Fagenson and his member firm. The other two customers were a married couple, and their brokerage account lost approximately \$239,000, while generating more than \$210,000 in commissions and markups for Fagenson and the firm. Fagenson's trading in the accounts of these customers was excessive and unsuitable given the customers' investment profiles, including their ages and risk tolerances.

The suspension is in effect from December 17, 2018, through August 16, 2019. ([FINRA Case #2017052874401](#))

Sara Aiping Ng ([CRD #2701165](#), Flushing, New York)

November 27, 2018 – An AWC was issued in which Ng 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, Ng consented to the sanctions and to the entry of findings that she distributed a letter from the manager of a certain fund containing promissory and misleading statements about the fund. The findings stated that Ng forwarded the letter to retail investors along with misleading commentary of her own about the fund's prospects that included a promissory and imbalanced statement that did not provide a sound basis for evaluating the relevant facts. The findings also stated that Ng distributed those materials without the approval of any qualified principal at her member firm.

The suspension was in effect from December 3, 2018, through December 21, 2018. ([FINRA Case #2015047856401](#))

Tony Alan Tolene ([CRD #5730068](#), Harrisburg, Pennsylvania)

November 27, 2018 – An AWC was issued in which Tolene was fined \$4,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Tolene consented to the sanctions and to the entry of findings that he falsely marked order tickets for solicited trades in customer accounts as unsolicited, causing his member firm to maintain inaccurate books and records. The findings stated that Tolene falsely represented on a firm annual compliance certification form that he had not solicited any firm customers to purchase low-priced or unlisted securities.

The suspension is in effect from December 17, 2018, through January 30, 2019. ([FINRA Case #2016051834101](#))

Steven Albert Gotter ([CRD #1201173](#), Sherwood, Oregon)

November 28, 2018 – An AWC was issued in which Gotter was fined \$10,000, suspended from association with any FINRA member in all capacities for two months, and suspended from association with any FINRA member in any principal capacity for four months. The suspensions will be served consecutively. Without admitting or denying the findings, Gotter consented to the sanctions and to the entry of findings that he caused the falsification of his member firm's documents. The findings stated that Gotter and his registered sales assistants used the same password to access the firm's systems. The sales assistants regularly used the common password to log into Gotter's system worklist to evidence his approval of new accounts by affixing his electronic signature when Gotter never reviewed the account documents for the accounts that he purportedly approved. Similarly, while Gotter was performing supervisory functions at a branch office of the firm, he also authorized one of his sales assistants to sign his name on documents to evidence his supervisory review and approval of incoming and outgoing branch correspondence and branch check logs that he had not reviewed. The findings also stated Gotter caused the firm to maintain inaccurate books and records by falsely representing to the firm that he reviewed and approved the new accounts and by authorizing the sales assistant to sign his name to document his supervisory approval of the incoming and outgoing correspondence and the inventory control logs. The findings also included Gotter failed in his capacity as a supervisor to enforce the firm's written policies and procedures regarding the confidentiality of passwords, falsification of documents and the proper delegation of supervisory responsibilities.

The suspension in any capacity is in effect from December 17, 2018, through February 16, 2019. The suspension in any principal capacity will be in effect from February 17, 2019, through June 16, 2019. ([FINRA Case #2016051302401](#))

Steven Nicholas Moerdyk ([CRD #1421358](#), Rockford, Michigan)

November 29, 2018 – An AWC was issued in which Moerdyk was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for five months. Without admitting or denying the findings, Moerdyk consented to the sanctions and to the entry of findings that he willfully failed to timely amend his Form U4 to disclose 13 tax liens filed by the Internal Revenue Service and the state of Michigan totaling \$564,209.71.

The suspension is in effect from December 3, 2018, through May 2, 2019. ([FINRA Case #2018057318101](#))

Michael Jason Gamez ([CRD #4942235](#), Corsicana, Texas)

November 30, 2018 – An AWC was issued in which Gamez was assessed a deferred fine of \$25,000, suspended from association with any FINRA member in all capacities for one year and ordered to pay \$73,567, plus interest, in deferred disgorgement of commissions received. Without admitting or denying the findings, Gamez consented to the sanctions and to the entry of findings that he exercised discretion in customer accounts without obtaining prior written authorization from the customers and without having the accounts accepted as discretionary by his member firm. The findings stated that these customers often gave Gamez discretion to decide which of his recommended securities to purchase; however, he did not discuss with the customers the number of shares he intended to purchase, the amount of funds available in the account from the interest or how deposited funds limited the transaction size in a given month. In addition, Gamez did not always speak with the customers on the actual trade date and often only notified them after he purchased securities into their accounts. The findings also stated that Gamez executed trades in customer accounts without a reasonable basis to believe that the recommendations were suitable for at least some investors. For these trades, Gamez purchased small amounts of stock to add to the customers' pre-existing equity positions, sold equity positions for customers only to repurchase the same positions just a few days later, and/or purchased a minimal number of shares of the same equity position throughout the day or on successive days. Gamez did not have an understanding of the potential risks and rewards associated with the recommended trades. Gamez failed to consider the costs of executing small share transactions, that were disproportionately high, in comparison to the mandatory commissions imposed, the overall costs of the foregoing trades, or how those costs would impact the potential returns on these investments.

The suspension is in effect from December 3, 2018, through December 2, 2019. ([FINRA Case #2015044086401](#))

Decisions Issued

The Office of Hearing Officers (OHO) issued the following decisions, which has been appealed to or called for review by the National Adjudicatory Council (NAC) as of November 31, 2018. The NAC may increase, decrease, modify or reverse the findings and sanctions imposed in the decisions. Initial decisions where the time for appeal has not yet expired will be reported in future issues of FINRA Disciplinary and Other Actions.

Kipling Jones & Co., Ltd. ([CRD #144730](#), Houston, Texas) and Robbi Julene Jones ([CRD #1797418](#), Houston, Texas)

November 13, 2018 – The firm and Jones appealed the OHO decision to the NAC. The firm was fined \$38,000. Jones was fined \$70,000, suspended from association with any FINRA member in all capacities for two years and barred from association with any FINRA member in any supervisory or principal capacity for causing her member firm to create and maintain inaccurate books and records and to file inaccurate Financial and Operational Combined Uniform Single (FOCUS) reports, and suspended from association with any FINRA member in all capacities for two years for providing false and misleading information to FINRA and otherwise refusing to respond to questions that FINRA asked at her on-the-record testimony. The suspensions will be served consecutively. The sanctions were based on findings that as president and chief executive officer (CEO) of the firm, Jones caused the firm to willfully violate Section 17(a) of the Securities Exchange Act of 1934, and Rules 17a-3 and 17a-5 thereunder by creating and maintaining inaccurate books and records and filing inaccurate FOCUS reports. The findings stated that Jones caused the firm to not record the cancellation of a certificate of deposit (CD) in its general ledger and to file FOCUS reports that inaccurately reflected the CD as an allowable asset. The findings also stated that Jones provided inaccurate and misleading information and documents to FINRA by making misleading statements during a FINRA examination of the firm regarding efforts to obtain information and documents concerning the CD and representing to FINRA that her mother had died. Jones provided false information in her on-the-record testimony by providing FINRA with a signed written statement describing an investigation by the city of Houston, in which she omitted two trips and misrepresented airplane tickets that were the subject and focus of the investigation and falsely testified at her on-the-record testimony that the CD was never pledged as security for a loan. Jones also refused to respond to questions at her on-the-record testimony concerning whether her mother had died and whether she had previously represented to FINRA that her mother had died.

The sanctions are not in effect pending review. ([FINRA Case #2015044782401](#))

Complaints Filed

FINRA issued the following complaints. Issuance of a disciplinary complaint represents FINRA's initiation of a formal proceeding in which findings as to the allegations in the complaint have not been made, and does not represent a decision as to any of the allegations contained in the complaint. Because these complaints are unadjudicated, you may wish to contact the respondents before drawing any conclusions regarding the allegations in the complaint.

Nancy Kimball Mellon ([CRD #1253484](#), Apollo Beach, Florida)

November 9, 2018 – Mellon was named a respondent in a FINRA complaint alleging that she converted funds by causing her assistant to submit false expense reports on her behalf so that she could receive \$4,300 in reimbursements for a \$3,800 expense she had not yet paid and a \$500 expense she never incurred. The complaint alleges that Mellon received \$4,300 in reimbursements from her member firm as a result of her false expense reports and used the money to pay personal expenses. The expense reports were false because Mellon claimed to have paid for something when she had not yet paid the expense, submitted misleading supporting documents, and sought reimbursement for \$500 more than she owed. Mellon did not pay the expense until at least five months after she received the “reimbursement” for the false expense reports, and to date, Mellon has not repaid the firm the extra \$500. The complaint also alleges that by causing her assistant to submit false expense reports on her behalf, Mellon caused the firm to maintain inaccurate books and records. The complaint further alleges that in connection with FINRA's investigation into Mellon's false expense reports, she provided false information to FINRA by claiming that she was unable to provide bank records, and attempted to mislead FINRA by asserting that the bank refused to provide the records and recommended that she seek legal advice. After lying to FINRA staff and after her on-the-record testimony, Mellon produced the requested bank records. ([FINRA Case #2017052760001](#))

John Lodge Farmer ([CRD #5354041](#), Prescott, Arizona), Jodi Oyler Padgett ([CRD #1828918](#), Skull Valley, Arizona) and Charles Edwin Taylor ([CRD #443066](#), Prescott, Arizona)

November 15, 2018 – Farmer, Padgett and Taylor were named respondents in a FINRA complaint alleging that they engaged in an undisclosed and unapproved outside business activity involving the sale of precious metal bullion coins. The complaint alleges that the outside business activities included referring individuals to the dealer of precious metals for the purpose of those individuals purchasing bullion coins and the dealer paying a referral fee as compensation. Farmer, Padgett and Taylor made referrals that involved their member firm's customers. In connection with these referrals, the dealer paid referral fees to Farmer totaling approximately \$4,663, to Padgett totaling approximately \$5,676 and to Taylor totaling approximately \$10,081.

The complaint also alleges that Taylor failed to reasonably supervise Padgett and Farmer by failing to enforce the firm's WSPs with regard to their participation in the referrals to the dealer. Among other things, Taylor failed to take reasonable steps to ascertain that this activity was disclosed in writing to the firm as an outside business activity in the form required by the firm. Taylor also failed to take reasonable steps to ascertain that the referrals of firm customers to the dealer was an activity prohibited by firm policy. ([FINRA Case #2017053382401](#))

Innovation Partners LLC ([CRD #146344](#), Charlotte, North Carolina), Yanique Elaine Lawrence ([CRD #3234186](#), Charlotte, North Carolina) and Patrick Emanuel Sutherland ([CRD #3042322](#), Charlotte, North Carolina)

November 26, 2018 – The firm, Lawrence and Sutherland were named respondents in a FINRA complaint alleging that while Sutherland was statutorily disqualified as a result of felony convictions and his FINRA registrations were terminated, he actively engaged in the management of the firm, continued to associate with the firm and engaged in activities on behalf of it that required securities registration. The complaint alleges that, among other things, Sutherland communicated with firm associated persons regarding securities-related matters, including sending and receiving email from his firm email address as well as another email address; supervised and directed firm associated persons regarding its securities business, including commissions, outside business activities and advertising; participated in the firm’s financial reporting, including the preparation of FOCUS reports, responding to firm auditors and directing the financial and operations principal; engaged in clerical and managerial functions on behalf of the firm, including arranging for branch office examinations, communicating with firm vendors and recruiting registered representatives; and participated in personnel decisions on behalf of the firm, including negotiating terms of employment with its co-chief compliance officer (CCO) and directing Lawrence regarding compensation of firm staff. The complaint also alleges that the firm and Lawrence, the firm’s president and CEO, permitted Sutherland to associate with the firm and engage in clerical and managerial activities on behalf of the firm, despite the fact that Sutherland was statutorily disqualified from associating with the firm and his registrations had been terminated. The complaint further alleges that the firm and Lawrence failed to establish, maintain and enforce a supervisory system reasonably designed to ensure that unregistered and/or statutorily disqualified individuals were not acting in a capacity that required registration or that individuals no longer registered with the broker-dealer did not have access to its systems. There were numerous red flags that Sutherland was acting in a manner that would require him to be registered with the firm, including, but not limited to, numerous email exchanges between Sutherland and firm associated persons and vendors regarding its securities business and operations, many of which were copied to Lawrence, and communications directly between Sutherland and Lawrence regarding personnel and financial reporting decisions on behalf of the firm. In addition, the complaint alleges that during FINRA’s investigation into Sutherland’s activities, he provided false and misleading testimony to FINRA. Sutherland falsely denied sending and receiving numerous emails from his firm email address and another email address and falsely testified that he did not access his email from his cellular telephone. Moreover, the complaint alleges that during FINRA’s investigation, Lawrence failed to provide documents and information in response to requests. Eventually, FINRA received a partial response, which was incomplete and untimely. ([FINRA Case #2016050957901](#))

Lek Securities Corporation ([CRD #33135](#), New York, New York) and Samuel Frederik Lek ([CRD #1642936](#), New York, New York)

November 26, 2018 – The firm and Samuel Lek (Lek) were named respondents in a FINRA complaint alleging that the firm, through Lek, its anti-money laundering (AML) compliance officer, CEO and CCO, failed to develop and implement a reasonable AML program and supervisory system for the deposit and trading of low-priced penny stocks (microcap stocks) by firm customers. The complaint alleges that the firm and Lek failed to implement AML policies, procedures and internal controls reasonably expected to detect and cause the reporting of suspicious transactions and reasonably designed to achieve compliance with the Bank Secrecy Act and its implementing regulations. The activity resulted in microcap trades being conducted without reasonable detection, investigation and determination as to whether such transactions should be reported on a Suspicious Activity Report. The complaint also alleges that the firm and Lek failed to establish reasonable WSPs to fulfill the firm's obligations to conduct a searching inquiry, prior to liquidating microcap securities, to determine whether the customers' resale of those shares were registered or subject to an exemption from registration. The firm, acting under Lek's direction, also failed to conduct reasonable due diligence on the deposits, customers and issuers despite red flags that existed at the time of deposit or trading of microcap securities. The complaint further alleges that the firm engaged in sales of unregistered securities in transactions not subject to an exemption from the registration requirements. In addition, the complaint alleges that the firm failed to comply with other AML obligations, including failing to conduct timely reviews of Financial Crimes Enforcement Network 314(a) information requests, failing to conduct reasonable AML testing and failing to provide reasonable AML training. The firm engaged various third parties to conduct its annual independent test. The tests were narrow in scope and evidenced a very limited review of the firm's AML process and procedures, thereby failing to conduct any substantive assessment of its microcap business. The firm provided annual training to its employees, but the training was substantively inadequate. In particular, employees that were primarily responsible for compliance functions were not provided reasonable guidance to conduct their roles. Moreover, the complaint alleges that all of the violations occurred while the firm allowed its account owners to engage in millions of dollars of microcap stock deposit and trading, including accounts that were owned by individuals previously charged with regulatory violations, known toxic-debt financiers, and omnibus accounts established in foreign jurisdictions with unknown beneficial owners. In total, these particular firm accounts liquidated more than 56 billion shares of microcap stocks and generated approximately \$100 million of proceeds, for which the firm received approximately \$1.6 million in commissions. ([FINRA Case #2015045312501](#))

Firms Cancelled for Failure to Meet Eligibility or Qualification Standards Pursuant to FINRA Rule 9555

Paces Battle Group, Inc. (CRD #118079)
 Alpharetta, Georgia
 (November 3, 2018)
 FINRA Case #20180587434/EQS180002

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.)

Good Capital Ventures (Funding Portal Org ID #286475)
 Massillon, Ohio
 (November 26, 2018)
 FINRA Case #2018056838801

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.)

Tami Susan Balas (CRD #2251085)
 Montoursville, Pennsylvania
 (November 19, 2018)
 FINRA Case #2017056821201

Ricardo Manuel Bustamante (CRD #6327608)
 Miami, Florida
 (November 2, 2018)
 FINRA Case #2018058423301

Brian Coffey (CRD #5862290)
 Roanoke, Texas
 (November 19, 2018)
 FINRA Case #2018058588301

Rita Marie Dulya (CRD #2050796)
 Port St. Lucie, Florida
 (November 19, 2018)
 FINRA Case #2017055835001

Makisha Ian Evans (CRD #4906276)
 Altamonte Springs, Florida
 (November 23, 2018)
 FINRA Case #2018058791001

Brendan Daniel Feitelberg (CRD #4897015)
 Boston, Massachusetts
 (November 23, 2018)
 FINRA Case #2018058123601

Mario R. Jimenez (CRD #6377573)
 Orlando, Florida
 (November 26, 2018)
 FINRA Case #2018057619601

Frantz Justafort (CRD #2798024)
 Chestnut Ridge, New York
 (November 26, 2018)
 FINRA Case #2018058606901

Nicholas Brent Maddox (CRD #4732456)
 Cerritos, California
 (November 26, 2018)
 FINRA Case #2017056677901

Gustavo Madrigal-Flores (CRD #6860773)
 Greenfield, California
 (November 26, 2018)
 FINRA Case #2018058787101

Scott Alfredo Miozzi (CRD #6241403)
 Middletown, New York
 (November 2, 2018)
 FINRA Case #2018058244001

Scott Halbert Newbanks (CRD #1216623)
 Lake Havasu City, Arizona
 (November 5, 2018)
 FINRA Case #2017055770101

Virginia M. Nichols (CRD #1674308)
Richmond Hill, Georgia
(November 20, 2018)
FINRA Case #2018058501301

Michael James Resciniti (CRD #4006304)
Medford, New York
(November 19, 2018)
FINRA Case #2018058707101

Zachary Sherry Jr. (CRD #6567328)
Walden, New York
(November 20, 2018)
FINRA Case #2018058243901

Christopher Albert Simonds (CRD #6636374)
Fort Myers, Florida
(November 20, 2018)
FINRA Case #2018058738801

Divanna Rocio Tejeda (CRD #6042878)
Clifton, New Jersey
(November 27, 2018)
FINRA Case #2018057888801

Francisco Javier Valenzuela (CRD #2786970)
Tucson, Arizona
(October 23, 2018 – November 16, 2018)
FINRA Case #2018057266701

Jackie Divono Wadsworth (CRD #2342163)
Fulshear, Texas
(November 6, 2018)
FINRA Case #2016050137502

Rick Charles Walker (CRD #1627706)
Naples, Florida
(November 26, 2018)
FINRA Case #2017055515801

James Thomas Walters II (CRD #5943354)
Macon, Georgia
(November 26, 2018)
FINRA Case #2018058353701

Stephen Robert Williams (CRD #4299561)
Goshen, Indiana
(November 5, 2018)
FINRA Case #2017056094201

Mohamed R. Yassin (CRD #1673281)
Jamaica, New York
(November 26, 2018)
FINRA Case #2017054716801

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.)

Jennifer Alfaro (CRD #6198334)
Aurora, Illinois
(November 13, 2018)
FINRA Case #2018059221101

Aaron L. Austin (CRD #5481214)
Darlington, Maryland
(November 19, 2018)
FINRA Case #2018058669301

Phillip K. Austin (CRD #5803618)
Desoto, Texas
(November 30, 2018)
FINRA Case #2018059726201

David Cesar Bogdan (CRD #5940883)
Orem, Utah
(November 2, 2018)
FINRA Case #2018058670101

Robert P. Cash (CRD #1567639)

Manhasset, New York
(November 13, 2018)
FINRA Case #2018058204601

Youn Hui Conner (CRD #6998959)

Castle Rock, Colorado
(November 16, 2018)
FINRA Case #2018059607801

Anukul Dass (CRD #4590390)

Houston, Texas
(November 19, 2018)
FINRA Case #2018057554301

Rosalba Nayeli De La Mora (CRD #6732243)

Carlsbad, California
(November 13, 2018)
FINRA Case #2018059605501

Peter Richard Erhart (CRD #1681938)

Roanoke, Virginia
(November 23, 2018)
FINRA Case #2018058452701

Andrew John Ferraro (CRD #6390202)

Mission Viejo, California
(November 5, 2018)
FINRA Case #2018059329501

Herbert H. Hafen (CRD #867068)

New Canaan, Connecticut
(November 23, 2018)
FINRA Case #2018059821901

Brandon Lee Hamm (CRD #6466507)

Surprise, Arizona
(November 13, 2018)
FINRA Case #2018059440901

Keith Allen Haynes Jr. (CRD #4481316)

Lexington, Kentucky
(November 16, 2018)
FINRA Case #2018058502001

Anubhav Jain (CRD #6618377)

New York, New York
(November 30, 2018)
FINRA Case #2018059416101

Vladimir Ian Peter Jefferson (CRD #6206837)

San Francisco, California
(November 5, 2018)
FINRA Case #2018058932901

Marques Andrew Jones (CRD #6307628)

Baltimore, Maryland
(November 19, 2018)
FINRA Case #2018057176902

Lisa Jeanne Lastrapes (CRD #2739854)

Grapevine, Texas
(November 19, 2018)
FINRA Case #2017055788301

Adrienne Jaime Mak (CRD #5656269)

La Puente, California
(November 5, 2018)
FINRA Case #2018058657801

Robert Nicholas Martin (CRD #6238236)

Berkeley, California
(November 19, 2018 – December 7, 2018)
FINRA Case #2018059251801

Roxana Sophia McKinney (CRD #4830895)

Jackson Heights, New York
(November 13, 2018 – December 13, 2018)
FINRA Case #2018059315001

Robert Gerard Merlo (CRD #1608409)

Secaucus, New Jersey
(November 5, 2018)
FINRA Case #2017053574002

Michael Jason Nickoli (CRD #5576076)

Birmingham, Alabama
(September 17, 2018 – November 2, 2018)
FINRA Case #2018058622701

Timothy Alan Norris (CRD #4762500)

Crystal Lake, Illinois
(November 5, 2018)
FINRA Case #2018059459501

Steven Harwell Owen (CRD #4302165)

Hurst, Texas
(November 30, 2018)
FINRA Case #2018059680901

Denise Marie Peskar (CRD #6100786)

Elyria, Ohio
(November 2, 2018)
FINRA Case #2018059051901

Marc Salvatore Pico (CRD #2771162)

Fort Lee, New Jersey
(November 23, 2018)
FINRA Case #2018059327101

Thomas James Renison (CRD #6039707)

South Glastonbury, Connecticut
(November 30, 2018)
FINRA Case #2018057688801

Jameson Jeewon Shin (CRD #2436899)

Everett, Washington
(August 13, 2018 - November 15, 2018)
FINRA Case #2018058301501

Michael Duane Smith (CRD #5785558)

Dallas, Texas
(November 23, 2018)
FINRA Case #2018059764701

Cornell E. Stanley Jr. (CRD #6587701)

Nottingham, Maryland
(November 21, 2018)
FINRA Case #2018058668901

Wayne Frederick Stutzer (CRD #1040006)

Phoenix, Arizona
(November 5, 2018)
FINRA Case #2018059300001

Perry Joseph Tarica Jr. (CRD #715741)

Green Oaks, Illinois
(November 19, 2018)
FINRA Case #2018059069401

Juan Uribe (CRD #4527409)

Houston, Texas
(November 19, 2018)
FINRA Case #2018059719801

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

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

Timothy David Ballard (CRD #1073181)

Livermore, California
(November 13, 2018)
FINRA Arbitration Case #18-00003

Christopher Matthew Cunningham (CRD #2390800)

Alexandria, Virginia
(November 5, 2018)
FINRA Arbitration Case #13-00039

Roberto Montano (CRD #3003372)

Chicago, Illinois
(November 14, 2018)
FINRA Arbitration Case #18-01113

Mark Allan Plummer (CRD #4608699)

Richardson, Texas
(November 5, 2018)
FINRA Arbitration Case #16-02150

Mark Allan Plummer (CRD #4608699)

Richardson, Texas
(November 13, 2018)
FINRA Arbitration Case #17-03069

Christopher Ryan Sanford (CRD #5348679)

New York, New York
(November 27, 2018)
FINRA Arbitration Case #15-03231

Victoria Anne Vandyke (CRD #1359504)

New York, New York
(November 14, 2018)
FINRA Arbitration Case #17-01878

Harold Carse White Jr. (CRD #465047)

La Jolla, California
(November 6, 2018)
FINRA Arbitration Case #15-00852

Maurice C. Wilde (CRD #2693509)

Palm Beach Gardens, Florida
(November 5, 2018)
FINRA Arbitration Case #17-02551

Stephen Douglas Wood (CRD #1308917)

Succasunna, New Jersey
(November 2, 2018)
FINRA Arbitration Case #17-01095