

Disciplinary and Other FINRA Actions

Firm Fined, Individual Sanctioned

Southern Trust Securities, Inc. ([CRD® #103781](#), Decatur, Georgia) and Susan Molina Escobio ([CRD #1062322](#), Coral Gables, Florida)

November 19, 2020 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured and fined \$55,000 and Escobio was suspended from association with any FINRA® member in all capacities for six months. In light of Escobio's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, the firm and Escobio consented to the sanctions and to the entry of findings that they failed to develop and implement an anti-money laundering (AML) program that was reasonably designed to achieve and monitor the firm's compliance with the Bank Secrecy Act of 1970 and the implementing regulations thereunder. The findings stated that the firm's written AML procedures were not reasonably designed in light of its business model and did not address the specific AML risks arising from servicing its customer base that came from jurisdictions considered to present heightened AML risks. Although the firm and Escobio permitted customers to wire funds into and out of their accounts, including third-party wires, the firm's procedures offered no specific steps or required actions to take during the review process concerning incoming wires. The firm's written AML procedures did not specify how it would monitor, detect and investigate red flags indicative of suspicious activity and did not list reports or documents that it intended to rely upon, the systems by which it would conduct reviews, the frequency of any reviews and how it would document each. The findings also stated that the firm and Escobio failed to conduct periodic reviews of a customer's account, which was a correspondent account of a foreign financial institution. In addition, the firm and Escobio failed to document enhanced due diligence of the customer's account. The findings also included that the firm and Escobio failed to provide reasonable additional AML training to firm personnel responsible for compliance with AML review responsibilities, including Escobio herself, and failed to provide reasonable guidance allowing those individuals to fulfill their roles. Further, the firm and Escobio made no effort to tailor the limited AML training to the firm's risks and customer base, nor did they reasonably train firm compliance staff regarding the execution of their AML duties. FINRA found that the firm, through Escobio, failed to establish, maintain and enforce a supervisory system, including Written Supervisory Procedures (WSPs), reasonably designed to prevent a terminated representative from continuing to access his firm email, which contained customer records, including non-public personal information. The representative was a statutorily disqualified individual and a founding member of the firm. Despite the representative's termination, Escobio decided to keep his firm email address active for nearly a year. During this time, Escobio assumed responsibility of reviewing all incoming and

Reported for January 2021

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).

outgoing communications from the representative's firm email address on a daily basis. However, Escobio did not document any written procedures on how such reviews were going to be conducted or documented. Further, the firm did not have any written policies and procedures regarding email access of terminated representatives. The firm and Escobio ignored several red flags that demonstrated that the representative continued to access his firm email address. FINRA also found that Escobio negligently misrepresented to corporate bond dealers regarding the firm's and its customer's status as a qualified institutional buyer (QIB) in obtaining restricted bond allocations made pursuant to Rule 144A under the Securities Act of 1933. Escobio's negligent misrepresentations were made as a result of her misunderstanding of the qualifications for QIB status.

The suspension is in effect from December 21, 2020, through June 20, 2021. ([FINRA Case #2018059545203](#))

Firms Fined

First Clearing, LLC nka Wells Fargo Clearing Services, LLC ([CRD #19616](#), St. Louis, Missouri November 4, 2020 – An AWC was issued in which the firm was censured and fined \$300,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it distributed account statements to customers containing valuation information for one or more Direct Participation Programs (DPPs) or Real Estate Investment Trusts (REITs) that did not comply with NASD Rule 2340(c). The findings stated that the firm obtained much of its valuation data regarding DPP and REIT securities from third-party vendors. One of the firm's third-party valuation vendors sent them a letter identifying several dozen DPP and REIT securities for which it was unable to provide rule-compliant, per-share estimated values. That vendor then provided the firm with valuation data, which included zeros as valuations for those DPPs and REITs for which compliant valuations were unavailable. However, when the firm subsequently created its customer account statements, its security pricing team manually overrode the zeros that the vendor had provided for those DPP and REIT securities, and instead populated the statements for customers holding those securities with the valuations that the vendor supplied for those positions the previous month. Thus, rather than learning that compliant valuations were not available, customers who owned one or more of the affected DPPs or REITs received account statements showing outdated valuations for those holdings. Because those earlier valuations did not derive from an approved methodology, they did not comply with Rule 2340(c). The findings also stated that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to ensure compliance with NASD Rule 2340(c). The firm failed to ensure that appropriate supervisory personnel oversaw and reviewed the security pricing team's activities regarding DPP and REIT securities. In particular, the firm failed to require any supervisory review of instances in which the security pricing team manually overrode vendor-supplied valuation data for DPPs and REITs.

The findings also included that the firm failed to maintain accurate books and records when it created and distributed monthly and quarterly account statements that contained non-compliant valuations for DPP and REIT securities. ([FINRA Case #2016051352401](#))

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

November 10, 2020 – An AWC was issued in which the firm was censured, fined \$475,000, and ordered to submit to FINRA a written certification that it has completed a review of its systems and written procedures regarding the supervision of disclosures in research reports, and that as of the date of the certification, its systems and written procedures are reasonably designed to achieve compliance with the applicable securities laws, regulations and FINRA rules. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it omitted required disclosures in equity research reports that it was either a manager or co-manager of a public offering of equity securities for the companies covered in the reports. The findings stated that the firm used data feeds from a third-party service provider to identify its role in transactions for issuers covered by firm research reports. The firm did not test whether the data received from the third-party service provider was accurate and complete and did not test the accuracy and completeness of its manager/co-manager disclosures in the research reports it published by comparing the disclosures against the public offerings for which the firm or an affiliate acted as manager or co-manager. The firm discovered that on occasion, the vendor data did not identify the correct entities involved in a relevant transaction and on other occasions failed to document a relevant transaction altogether. Those errors caused the firm's systems not to disclose that it was a manager or co-manager of an equity public offering as required by NASD and FINRA rules. As a result, the firm deprived the investing public of important information regarding conflicts of interest. The findings also stated that firm failed to establish and maintain a system, including written procedures, reasonably designed to achieve compliance with the manager/co-manager disclosure rules, particularly in light of its obligation to supervise the activities of its third-party service provider and the firm's prior disciplinary history. It was incumbent upon the firm to take reasonable steps to ensure that the data supporting the population of its manager/co-manager disclosures was complete and accurate. ([FINRA Case #2017055673701](#))

Citadel Securities LLC ([CRD #116797](#), Chicago, Illinois)

November 13, 2020 – An AWC was issued in which the firm was censured and fined \$180,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it had a system issue that caused it to report equity sale transactions to the FINRA/NASDAQ Trade Reporting Facility (FNTRF) with an inaccurate short sale indicator. The findings stated that the firm released a new system designed to implement new order marking and trade reporting methodologies. However, the firm inadvertently omitted one of its execution systems as part of the release and thus reported trades using the historical methodology. This omission caused the firm to report short sale equity transactions to the FNTRF without the short sale indicator. The firm remediated

the issue after FINRA notified it of the issue. The findings also stated that the firm failed to have a supervisory system, including WSPs, that was reasonably designed to achieve compliance with FINRA rules requiring the use of short sale indicators. The firm conducted end of day reviews for the accuracy of short sale transaction reporting, but these reviews did not include trades effected through all of its execution systems. Even if the firm had included all execution systems in its supervisory reviews, it would not have reviewed the misreported transactions for short sale reporting requirements because the supervisory reviews only looked at order activity covered by Regulation SHO Regulation SHO of the Securities Exchange Act of 1934. Unlike FINRA's trade reporting rules, Regulation SHO did not apply to the misreported transactions because it mandates the marking of sell orders and here the misreported transactions were limited to the execution of incoming orders rather than order entry or routing. The firm addressed the deficiencies in its WSPs after FINRA brought the issue to its attention. ([FINRA Case #2016051085001](#))

Dealerweb Inc. ([CRD #19662](#), Jersey City, New Jersey)

November 19, 2020 – 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 failed to report trades to the Municipal Securities Rulemaking Board's (MSRB) Real-time Transaction Reporting System (RTRS) in increments of seconds. The findings stated that the firm changed its order management system, which gave rise to a system issue that resulted in transactions being reported with "00" in the seconds field. This persisted until FINRA notified the firm of the issue. In addition, due to a manual trade entering process, the firm failed to report the correct time of trade in municipal transaction reports to the RTRS and failed to timely report the same transactions within 15 minutes of the time of trade. The findings also stated that the firm maintained inaccurate books and records related to municipal securities by creating and maintaining municipal security order tickets that failed to reflect an accurate time of execution. The findings also included that the firm failed to conduct a documented comparison required by its WSPs to confirm the accuracy of the time of trade reported to the MSRB. In addition, the WSPs failed to designate the frequency of and supervisor responsible for the time of trade review. ([FINRA Case #2018057239701](#))

Virtu Americas LLC fka KCG Americas LLC and Knight Capital Americas LLC ([CRD #149823](#), New York, New York)

November 23, 2020 – An AWC was issued in which the firm was censured, fined \$120,000 and required to review and revise its supervisory systems and procedures concerning Order Audit Trail System (OATS™) reporting to ensure that they are reasonably designed to achieve compliance with FINRA Rule 7450 and to implement all changes necessary to remediate the violations 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 comply with its OATS reporting obligations. The findings stated that the firm transmitted Reportable Order Events (ROEs) to OATS with inaccurate account type codes that provided

information about the type of account for which the orders were submitted. The firm inaccurately reported an account type code that indicated that it received orders from another broker-dealer for unknown beneficial owners, even though it did not receive the order from another broker-dealer and the account owners were known to the firm. These inaccurate reports occurred after the firm acquired multiple affiliates with separate Market Participant Identifier (MPIDs) and the orders were associated with those MPIDs. In addition, the firm transmitted execution reports to OATS that were required to be matched to the related trade report in a FINRA transaction reporting facility. These reports contained inaccurate reporting exception codes, generated by the firm's electronic systems, which incorrectly indicated that there were no corresponding trade reports to match to each report. The firm also failed to match execution reports to a media trade report because it had not updated its execution protocol and related technology system to address the requirements for certain types of executions. Further, the firm, through several of its MPIDs, failed to transmit ROEs to OATS. The firm failed to timely repair ROEs that were rejected by OATS for context or syntax errors. The firm attempted to resubmit the ROEs, but the resubmissions were untimely because it failed to make the repairs within five business days. The findings also stated that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with its OATS reporting requirements. The firm's minimum sample of five order types was unreasonably narrow, given the broad range of transactions it had to report and the fact that it transmitted approximately 9 billion ROEs to OATS on a quarterly basis. ([FINRA Case #2016052398201](#))

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

November 24, 2020 – An AWC was issued in which the firm was censured and fined a total of \$70,000, of which \$30,000 is payable to FINRA. In determining the fine in this matter, FINRA took into consideration the sanctions in related disciplinary actions against the firm. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to obtain a locate in connection with proprietary short sale transactions as required by Rule 203(b)(1) of Regulation SHO. The findings stated that the firm's failure was attributable to a system coding issue that went undetected. The firm misidentified certain securities as easy to borrow (ETB). The firm received ETB lists from its clearing firms, however one of the clearing firms modified an electronic tag on its ETB list without notifying the firm of the modification. The firm's system did not recognize the modified tag, coding certain securities as ETB when they were not on the ETB list. Those executions comprised a small fraction of all short sales that the firm executed during that time period. The firm stopped using the clearing firm and, therefore, no longer relied on its ETB list for locates. The findings also stated that the firm failed to have a reasonable supervisory system to achieve compliance with the locate requirement. The firm's system did not include any means by which to determine if the clearing firm's ETB lists were correctly recognized by its systems and that its locate decisions were consistent with accurate ETB information. ([FINRA Case #2016051549205](#))

Santander Investment Securities Inc. ([CRD #37216](#), New York, New York)

November 24, 2020 – An AWC was issued in which the firm was censured and fined \$150,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to capture emails from employee email accounts for supervisory review due to a coding error. The findings stated that following a server switch, the existing process to ensure emails were journaled to the email review platform from the new server did not work as it had before. The firm had no process in place to ensure that emails from the new server were journaled to its email review platform as intended. The firm didn't monitor the volume of email ingested into its review platform for irregularities or conduct any reconciliation of the email addresses to be monitored with the emails that were ingested. The firm identified this issue when searching for a specific email within its review platform system. After identifying the issue, the firm self-reported it. The firm then investigated the underlying causes of the failure and implemented changes to its policies and procedures to prevent a similar issue going forward. The firm also conducted a lookback review of a sample of the emails not initially captured. ([FINRA Case #2019061735701](#))

Wells Fargo Clearing Services, LLC ([CRD #19616](#), St. Louis, Missouri)

November 25, 2020 – An AWC was issued in which the firm was censured and fined \$75,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to make and preserve accurate books and records. The findings stated that the firm failed to record an accurate order receipt time in certain situations when registered representatives entered the order receipt time manually. The most common examples of these instances occurred when large orders required approval, or other unique situations where, after receiving the order from the customer, the representative had to seek approval from his or her manager or others before entering the order into the firm's system. The firm's representatives entered inaccurate order receipt times in different ways. Although OATS requires reporting in eastern military time, some of the firm's representatives entered order times reflecting another time zone or in 12-hour time. In addition, some of the firm's representatives entered orders with inaccurate time stamps. The findings also stated that the firm populated the order receipt time field in its OATS submissions with the time that was entered in its order management system. Thus, the inclusion of inaccurate receipt times in the firm's system also caused the firm to submit inaccurate submissions to OATS. The firm also failed to report a desk receipt time stamp to OATS as a result of an automation issue. The firm's system was not set up to report desk receipt times to OATS. In addition, the firm reported orders to OATS with an account type code that is used when an order is originated in a firm's error account. These instances involved trade corrections of customer orders, but the firm failed to submit reports with the account type code for the customer orders that were corrected. ([FINRA Case #2017054001501](#))

Firm Sanctioned

Coastal Equities, Inc. ([CRD #23769](#), Wilmington, Delaware)

November 9, 2020 – An AWC was issued in which the firm was censured and ordered to pay \$270,320, plus interest of \$9,588.80, in restitution to customers. FINRA imposed no fine against the firm in this case, and agreed to assess interest on the restitution owed at a rate below that set forth in Section 6621(a)(2) of the Internal Revenue Code, after it considered, among other things, the firm’s revenues and financial resources, as well as its agreement to pay full restitution (with partial interest) to the affected customers. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to reasonably supervise a registered representative who recommended excessive and unsuitable trades in customer accounts. The findings stated that the representative’s supervisor became aware of multiple indicia that he was recommending excessive and unsuitable trading in the customers’ accounts, and that he was making unsuitable recommendations to purchase securities using margin in two of the customers’ accounts. Each customer was a retired, senior investor with a moderate risk tolerance. The firm’s daily trade blotter showed the representative’s frequent trading and the correspondingly high turnover rates and commissions in the customers’ accounts. In addition, the firm began utilizing exception reports from its clearing firm as a part of its supervisory system. Each of the customers’ accounts generated multiple turnover exceptions, and one customer’s account generated two margin exceptions. Despite these red flags, no one at the firm reviewed the customers’ accounts to determine whether the representative’s recommendations were suitable, questioned him about the trading in any of his customers’ accounts, contacted any of his customers, or took any steps to reduce the commissions that he was charging his customers or the frequency with which he was recommending securities transactions. The firm suggested that the representative move some actively traded accounts to fee-based accounts, and it began sending activity letters to some of the representative’s customers. Nonetheless, the representative continued to recommend excessive trading and/or unsuitable use of margin to certain customers. Later, the firm sent the representative a letter of admonishment, which he did not sign until two months later. Prior to the representative signing the letter, the firm limited the commissions the representative could charge to his customers’ accounts. The month after signing the letter, the representative left the firm. The firm’s failure to investigate and reasonably respond to the red flags of the representative’s unsuitable recommendations and to take reasonable action in response to those red flags allowed him to solicit trading that resulted in the customers paying \$257,895 in commissions and \$12,425 in margin interest. ([FINRA Case #2017052325702](#))

Individuals Barred

Marc Nathan Jaffe ([CRD #2187547](#), Carmel, Indiana)

November 4, 2020 – An Offer of Settlement was issued in which Jaffe was barred from association with any FINRA member in all capacities. Without admitting or denying the allegations, Jaffe consented to the sanction and to the entry of findings that he associated with a member firm and engaged in its securities business despite being statutorily disqualified. The findings stated that Jaffe’s firm filed a Membership Continuance Application (MC-400) seeking permission for him to associate with the firm despite his statutory disqualification. The National Adjudicatory Council (NAC) denied the application and found that Jaffe had engaged in serious misconduct by associating with the firm while the MC-400 application was pending. Jaffe’s activities at the firm include communicating with firm customers regarding their investments and receiving disguised commissions under the guise of an analyst agreement. With the knowledge of the firm’s owner and chief executive officer (CEO), Jaffe continued to partner with a firm registered representative to engage in securities business at the firm. The representative made direct and indirect payments to Jaffe through the analyst agreement and an office sharing agreement. Through the analyst agreement, Jaffe was paid approximately 40 percent of the revenue of the branch where he and the representative worked. The findings also stated that while not registered with FINRA in any capacity, Jaffe performed functions of a general securities representative by, among other things, communicating with members of the public to determine their interest in making investments, communicating with customers in an effort to maintain their accounts at the firm, discussing the nature or details of particular securities or investment vehicles, recommending the purchase or sale of securities through the representative and receiving compensation for, and in connection with, securities transactions of firm customers. ([FINRA Case #2018056436001v](#))

Christine Ann Ringmeier ([CRD #6101579](#), Two Rivers, Wisconsin)

November 4, 2020 – An AWC was issued in which Ringmeier was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Ringmeier consented to the sanction and to the entry of findings that she converted \$47,129.36 from a registered representative for whom she worked. The findings stated that Ringmeier wrote checks totaling \$44,684.06 to herself from the representative’s business bank account using an accounting application utilized by the representative. Ringmeier signed each check using the representative’s signature stamp without his knowledge or approval. Ringmeier then endorsed and deposited each check into her personal bank account. After printing a check, Ringmeier deleted it from the accounting application to hide the transaction. The findings also stated that Ringmeier made an inaccurate journal entry in the account application retiring the balance of a debt she owed the business, even though there was no corresponding payment. In so doing, Ringmeier took possession of \$2,445.30 to which she was not entitled. The representative did not know or approve of the entry. ([FINRA Case #2020066735901](#))

Lucas Mandon King ([CRD #6424176](#), Brandon, Mississippi)

November 5, 2020 – 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 he converted \$7,083.97 in insurance premiums for his personal use and benefit. The findings stated that during the time King was registered with FINRA through his member firm, he was also appointed an insurance agent and sold insurance products offered by the firm's insurance affiliate. King was required by the affiliate to maintain a premium fund account at a bank into which he was required to deposit insurance customers' premium payments. The funds in the premium fund account, however, belonged to the affiliate and not to King. Although King maintained control over the premium fund account, the affiliate's policies prohibited him from using the deposited funds for any purpose other than paying designated insurance premiums. King failed to deposit \$7,083.97 in premium payments into the premium fund account. Instead, King intentionally and without authority used those funds for his own personal use and benefit to satisfy other business expenses. King only deposited the missing funds after the affiliate discovered that he had not deposited the premiums into the premium fund account and questioned him. In addition, King initially lied to the affiliate, claiming that he had lost the premiums when, in fact, he had used the funds for his own personal use to pay his office staff. ([FINRA Case #2020066414701](#))

Matthew Boyd Nekuza ([CRD #6332114](#), Irving, Texas)

November 6, 2020 – An AWC was issued in which Nekuza was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Nekuza consented to the sanction and to the entry of findings that he converted funds from his member firm by obtaining approximately \$20,846 in goods and services which were personal expenses he charged to his firm-issued credit card. The findings stated that at the time that he incurred the charges, Nekuza knew that the personal expenses were not reimbursable under any firm policy. In addition, Nekuza falsely reported to the credit card company that his card had been fraudulently used by an individual other than himself to make the charges. Nekuza also falsely stated to his firm that each of the charges were fraudulent. The findings also stated that Nekuza submitted false written responses and provided false on-the-record testimony to FINRA about the credit card charges. In his written responses and during his sworn testimony, Nekuza falsely claimed that he did not make the charges and that he was not in possession of the firm-issued credit card at the time the charges were made. ([FINRA Case #2018060308502](#))

Richard Michael Wesselt ([CRD #2195569](#), Collegeville, Pennsylvania)

November 9, 2020 – An AWC was issued in which Wesselt was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Wesselt consented to the sanction and to the entry of findings that he made unsuitable recommendations to customers to purchase a variable annuity. The findings stated that these recommendations were inconsistent with the customers' investment profiles,

including their time horizon, liquidity needs and risk tolerance. Wesselt recommended that his customers liquidate their retirement savings that they often held in qualified, tax-deferred accounts such as 401(k)s or individual retirement accounts (IRAs). As a result, the customers lost benefits associated with their 401(k)s, including services such as access to investment advice, telephone help lines, educational materials and workshops. In addition, Wesselt recommended that customers purchase a variable annuity with funds liquidated from their retirement plans. After the variable annuity was issued, Wesselt recommended customers take early withdrawals, causing them to lose benefits associated with the variable annuity and incur surrender charges. These unsuitable recommendations caused the customers to incur surrender charges of \$378,452. The customers were subjected to costly fees and penalties, forfeiture of expected benefits, lapsed or cancelled policies and the depletion or complete loss of their retirement savings. Wesselt, by contrast, earned commissions of \$686,025 from the sale of the variable annuities. The findings also stated that by directing his employees to have customers sign blank or incomplete forms, Wesselt caused his member firm to create and maintain inaccurate books and records. The forms included, among others, new account agreements and variable annuity withdrawal request forms. Wesselt directed his employees to send or provide partial documents or forms, or signature pages, to customers with instructions to sign and return the document. The forms were then completed by Wesselt or his employees and submitted to the firm or the variable annuity company for processing. As a result of this practice, many of Wesselt's customers did not have the opportunity to read important disclosures regarding their variable annuities, and thus were unaware of the features, costs and risks associated with these products. Similarly, blank variable annuity withdrawal forms provided no information about the amount of the withdrawal, the withholding of taxes, or surrender fees. ([FINRA Case #2018059035701](#))

Lawrence Burton Goldstein ([CRD #2282699](#), Sparks, Nevada)

November 10, 2020 – An AWC was issued in which Goldstein was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Goldstein 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 engaged in unsuitable excessive trading in a customer's account. ([FINRA Case #2018058820102](#))

Yousuf Saljooki ([CRD #5045123](#), Melville, New York)

November 12, 2020 – An Office of Hearing Officers (OHO) decision became final in which Saljooki was barred from association with any FINRA member in all capacities. The sanction was based on findings that Saljooki failed to provide information and documents or appear and provide on-the-record testimony requested by FINRA during an investigation. The findings stated that FINRA initially began an investigation into the possible participation by a relative of Saljooki in undisclosed outside business activities (OBAs). During the investigation, the relative provided information to FINRA suggesting that Saljooki may

also have participated in undisclosed OBAs while associated with his member firm. FINRA then began investigating Saljooki's possible involvement in undisclosed OBAs. ([FINRA Case #2019063626702](#))

Rani Soto ([CRD #6016117](#), Bayonne, New Jersey)

November 13, 2020 – An Offer of Settlement was issued in which Soto was barred from association with any FINRA member in all capacities. Without admitting or denying the allegations, Soto consented to the sanction and to the entry of findings that he failed to disclose outside business activities (OBAs) to his member firm prior to engaging in them. The findings stated that Soto received, or expected to receive, compensation from the OBAs and each of these business activities took place outside of the scope of his relationship with the firm. The findings also stated that Soto made false statements to the firm in documents concerning his participation in the OBAs. Soto falsely attested on annual compliance questionnaires for the firm that he had not held any paid or unpaid positions at an outside business in the past year. At the time of his attestations, he had held paid positions at four OBAs. In addition, Soto never updated his Uniform Application for Securities Industry Registration or Transfer form (Form U4) to disclose these OBAs. Nevertheless, Soto falsely affirmed on annual Form U4 attestations to the firm that the information on his Form U4 was complete, accurate and up-to-date. The findings also included that throughout FINRA's investigation of this matter, Soto failed to timely and completely respond to requests for documents and information issued to him. Soto's failure to respond to requests caused significant delay to FINRA's investigation into his termination by his firm. Soto's failures ultimately led to the initiation of a proceeding against him and his suspension pursuant to FINRA Rule 9552. Before Soto's suspension would have converted to an all capacities bar, he made a partial production of documents to FINRA that lifted his suspension. After the suspension was lifted, Soto failed to timely and completely respond to additional requests issued to him by FINRA. Among other things, Soto failed to provide complete bank records and tax returns. ([FINRA Case #2018059766702](#))

Lynn Dale Cawthorne ([CRD #3211221](#), Shreveport, Louisiana)

November 16, 2020 – An Offer of Settlement was issued in which Cawthorne was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Cawthorne consented to the sanction and to the entry of findings that he failed to comply with FINRA's requests for information made in connection with its investigation of his failure to disclose multiple felony charges and other potential violations. The findings stated that Cawthorne was indicted in the U.S. District Court for the Western District of Louisiana on seven felony counts of wire fraud and one felony count of conspiracy to commit wire fraud in connection with allegedly misappropriating approximately \$536,000 from a government program that provided nutritious meals to children in low-income areas when school is not in session during the summer. For the purpose of that investigation, FINRA had asked Cawthorne for information about his

termination from his member firm, a superseding indictment against him adding 18 felony counts of money laundering and conspiracy to launder money and related OBAs and private securities transactions. ([FINRA Case #2018059919702](#))

Roland P. Gerbault ([CRD #4494232](#), Miami Beach, Florida)

November 16, 2020 – An AWC was issued in which Gerbault was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Gerbault consented to the sanction and to the entry of findings that he failed to substantially comply with FINRA’s request to provide documents and information in connection with an investigation as to whether he participated in a money-laundering scheme as alleged by the Federal Prosecution Office, Office of the Attorney General of State of Rio de Janeiro, Brazil. The findings stated that although Gerbault initially produced certain requested documents, he acknowledged that he would not produce any of the remaining information or documents requested by FINRA. ([FINRA Case #2019064876101](#))

Brett Stephen Briggs ([CRD #1226255](#), Calabasas, California)

November 17, 2020 – An AWC was issued in which Briggs was barred from association with any FINRA member in any principal capacity, fined \$20,000 and ordered to pay \$52,432.81, plus interest, in partial restitution to customers. This restitution amount is composed of commission overrides and ticket credits Briggs received from violative trading in customer accounts by three of four registered representatives he failed to supervise. The commission overrides and ticket credits Briggs received from another representative’s violative trading are not included because that representative’s customer already received compensation as part of an arbitration settlement. Without admitting or denying the findings, Briggs consented to the sanctions and to the entry of findings that he failed to supervise four representatives, formally with his member firm, who excessively traded and recommended qualitatively unsuitable trades involving options, low-priced securities and Non-Traditional Exchange Traded Products (ETPs) in customer accounts. The findings stated that Briggs failed to investigate red flags indicative of trading misconduct and to take appropriate action in a manner reasonably designed to ensure that the representatives acted in compliance with FINRA rules. At one point, a firm compliance principal specifically informed Briggs of red flags indicative of excessive trading in customer accounts. In the face of information indicative of violative trading practices, Briggs acted unreasonably by failing to further scrutinize the conduct of the representatives. Briggs was aware of but failed to investigate and address specific red flags indicating trading misconduct suggestive of excessive trading and qualitatively unsuitable recommendations, in violation of FINRA’s suitability rules, including the suitability rules relating to options trading. Briggs profited from the excessively traded and qualitatively unsuitable transactions executed by the representatives in customer accounts through his receipt of commission overrides and ticket credits. Briggs received commission override amounts totaling \$52,432.81. ([FINRA Case #2017054755207](#))

Efrain Balderrama Trujillo ([CRD #3106482](#), West Hills, California)

November 17, 2020 – An AWC was issued in which Trujillo was barred from association with any FINRA member in any principal capacity and fined \$20,000. Without admitting or denying the findings, Trujillo consented to the sanctions and to the entry of findings that he failed to supervise four formerly registered representatives who excessively traded and recommended qualitatively unsuitable trades involving options, low-priced securities and Non-Traditional ETPs in customer accounts. The findings stated that Trujillo failed to investigate red flags indicative of trading misconduct and take appropriate action in a manner reasonably designed to ensure that the representatives acted in compliance with FINRA rules. A firm compliance principal specifically informed Trujillo of red flags indicative of excessive trading in customer accounts. In addition, in the face of information indicative of violative trading practices, Trujillo acted unreasonably by failing to further scrutinize the conduct of the representatives. Trujillo was aware of, but failed to investigate and address, specific red flags indicating trading misconduct suggestive of excessive trading and qualitatively unsuitable recommendations in violation of FINRA's suitability rules, including the suitability rules relating to options trading. ([FINRA Case #2017054755208](#))

Matthew Thomas Jennings ([CRD #6762685](#), Johnston, Iowa)

November 19, 2020 – An AWC was issued in which Jennings was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Jennings consented to the sanction and to the entry of findings that he refused to produce information and documents requested by FINRA in connection with an investigation that originated from a Uniform Termination Notice for Securities Industry Registration (Form U5) filed by his member firm terminating his registration due to concerns that he introduced clients to an investment not offered through the firm. The findings stated that after initially responding to FINRA's requests and appearing for on-the-record testimony, Jennings ultimately ceased cooperating. ([FINRA Case #2019063586701](#))

Joseph Victor Alhadeff ([CRD #2938087](#), Miami Beach, Florida)

November 27, 2020 – An AWC was issued in which Alhadeff was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Alhadeff 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 a registered representative who was supervised by him and a review of Alhadeff's supervision of the representative. ([FINRA Case #2018057297101](#))

Individuals Suspended

Bradley Thomas Hildebrand ([CRD #5608456](#), Chicago, Illinois)

November 2, 2020 – An AWC was issued in which Hildebrand 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, Hildebrand consented to the sanctions and to the entry of findings that he misused confidential information by accessing and disseminating confidential information related to the sale of a privately held company. The findings stated that Hildebrand improperly accessed documents from his member firm's system that contained the confidential information relating to the firm's representation of the company in the sale transaction. Hildebrand then disclosed the confidential information regarding the sale to a friend who was a principal in an investment firm that owned a private company that competed with the company, but who was not involved in the sale transaction.

The suspension was in effect from November 2, 2020, through January 1, 2021. ([FINRA Case #2019064868502](#))

Gurpreet Singh Chandhoke ([CRD #4999369](#), Alamo, California) and Stephen Fitzgerald Shea ([CRD #3274649](#), Walnut Creek, California)

November 4, 2020 – An Offer of Settlement was issued in which Chandhoke was assessed a deferred fine of \$50,000 and suspended from association with any FINRA member in all capacities for two years and Shea was assessed a deferred fine of \$50,000 and suspended from association with any FINRA member in all capacities for two years. Without admitting or denying the allegations, Chandhoke and Shea consented to the sanctions and to the entry of findings that they failed to disclose to their member firms several OBAs. The findings stated that Chandhoke and Shea together formed entities with the intent of engaging in, and did in fact engage in, non-securities business activities but failed to provide prior written notice regarding those activities to their firms. In addition, Chandhoke engaged in additional non-securities business activities but failed to provide prior written notice regarding those activities to his employer firms. The findings also stated that Chandhoke and Shea failed to disclose to their firms several outside accounts they opened and held at another FINRA member firm. Chandhoke and Shea had a financial interest in each account at the other firm because they opened and held the accounts in the names of entities that they owned and controlled. Chandhoke and Shea also failed to inform the other firm in writing or otherwise that they were associated with their firms. The findings also included that Chandhoke and Shea participated in private securities transactions totaling \$1,039,925 without providing their firms with prior written notice of these securities transactions and having never received written approval from their firms to participate in the transactions. FINRA found that Chandhoke structured cash deposits made into separate bank accounts. The deposits, totaling \$72,950, were structured in amounts below \$10,000 for the purpose of attempting to evade federal reporting requirements that

would have caused a financial institution to file currency transaction reports. FINRA also found that Chandhoke opened a line of credit in the name of his entity at a FINRA member firm, but when completing and signing documentation necessary to open the account, he falsely acknowledged that no part of the line of credit would be used to purchase, carry, or trade in securities. That acknowledgment was false because, as Chandhoke knew at the time he opened the line of credit, he intended to use the proceeds from the line of credit to allow him to purchase securities in another account. Further, Chandhoke did, in fact, use the proceeds from the line of credit in that manner. Chandhoke also falsely indicated that the purpose of the account was to finance business operations or assets.

The suspensions are in effect from November 16, 2020, through November 15, 2022. ([FINRA Case #2015047244701](#))

Andrea Wood ([CRD #2000589](#), Avon, Indiana)

November 4, 2020 – An Offer of Settlement was issued in which Wood was assessed a deferred fine of \$15,000 and suspended from association with any FINRA member in all capacities for one year. Without admitting or denying the allegations, Wood consented to the sanctions and to the entry of findings that she permitted and enabled a statutorily disqualified and unregistered person to associate with and conduct a securities business at a member firm. The findings stated that Wood partnered with the unregistered person to continue servicing his former customers at the firm, despite the unregistered person's statutory disqualification. With the firm's knowledge, Wood entered into an analyst and office sharing agreement to pay the unregistered person in connection with the firm's securities business through a company she owned. The unregistered person continued to engage in securities business at the firm with Wood by, among other things, communicating with members of the public to determine their interest in making investments, communicating with customers in an effort to maintain their accounts at the firm, discussing the nature or details of particular securities or investment vehicles, recommending the purchase or sale of securities through the representative, and receiving compensation for, and in connection with, securities transactions of firm customers.

The suspension is in effect from December 7, 2020, through December 6, 2021. ([FINRA Case #2018056436001](#))

Ivan Shore ([CRD #1012943](#), Englewood, New Jersey)

November 6, 2020 – An AWC was issued in which Shore was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Shore consented to the sanctions and to the entry of findings that he engaged in an unsuitable pattern of short-term trading of Unit Investment Trusts (UITs) in customer accounts. The findings stated that Shore recommended his customers roll over UITs prior to maturity and use the proceeds to purchase a new UIT. Of the approximately 900 early rollovers recommended by Shore, more than 240 were series-

to-series rollovers. In other words, Shore recommended that his customers roll over a UIT before its maturity date in order to purchase a subsequent series of the same UIT, which generally had the same or similar investment objectives and strategies as the prior series. Shore's recommendations caused his customers to incur unnecessary sales charges and were unsuitable in view of the frequency and cost of the transactions. Shore's customers received reimbursement of these excess sales charges from his member firm in connection with FINRA's separate settlement with the firm.

The suspension is in effect from December 7, 2020, through March 6, 2021. ([FINRA Case #2018057247001](#))

David Ray Oakes (CRD #1465154, Prosper, Texas)

November 9, 2020 – An Offer of Settlement was issued in which Oakes was suspended from association with any FINRA member in all capacities for six months. In light of Oakes' financial status, no monetary sanction has been imposed. Without admitting or denying the allegations, Oakes consented to the sanction and to the entry of findings that he structured cash deposits and cash withdrawals totaling \$48,500 for the purpose of attempting to evade federal reporting requirements. The findings stated that Oakes was aware of the currency reporting requirements for domestic financial institutions. However, Oakes withdrew a total of \$21,500 cash from his personal member firm checking account by making four separate withdrawals in amounts under \$10,000. In addition, Oakes deposited a total of \$27,000 cash into his personal firm checking account by making three separate deposits in amounts under \$10,000. Oakes structured the cash deposits and cash withdrawals in an attempt to evade reporting requirements in that he acted with the purpose of preventing the bank from filing and intended to cause the bank to fail to file, a currency transaction report, which reports a currency transaction in excess of \$10,000.

The suspension is in effect from December 7, 2020, through June 6, 2021. ([FINRA Case #2018057755201](#))

Michael Alan Biedny (CRD #867868, East Amherst, New York)

November 10, 2020 – An AWC was issued in which Biedny was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Biedny consented to the sanctions and to the entry of findings that he intentionally circumvented his member firm's policies by taking steps to conceal his acceptance of \$118,000 in gifts from a senior customer. The findings stated that Biedny accepted checks given to him voluntarily by the customer. The checks represented more than 10 percent of the customer's net worth at the time. To obtain the money to fund some of the checks, the customer sold a certificate of deposit prior to maturity for less than face value. Biedny instructed the customer that if he was to accept her gift, she would have to keep it a secret. Subsequently, Biedny completed branch audit questionnaires and falsely certified that he had not accepted gifts in excess

of \$100. Biedny entered a note into the firm's electronic system for memorializing customer contacts stating that the customer had requested a cash withdrawal for a real estate transaction and charitable gift unrelated to him. Biedny was aware that the note was inaccurate but failed to correct it. Later, Biedny falsely denied that he had accepted gifts from a customer when asked by his supervisory. After the firm terminated Biedny, it provided restitution to the customer.

The suspension is in effect from November 16, 2020, through May 15, 2021. ([FINRA Case #2018060984401](#))

John Albert Westbrook (CRD #1846059, Jacksons Gap, Alabama)

November 10, 2020 – An AWC was issued in which Westbrook 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, Westbrook consented to the sanctions and to the entry of findings that he participated in private securities transactions totaling \$350,335 without prior disclosure to or approval from his member firm. The findings stated that Westbrook solicited investors to purchase securities of a company that represented itself as a structured cash flow investment. Westbrook received a total of \$14,013 in commissions in connection with his sales of the company's securities. Later, the company ceased business, owing nearly \$300 million in unpaid investor payments. In a subsequent indictment, the United States charged the company and its owner with conspiracy to engage in mail and wire fraud related to the company's operations.

The suspension is in effect from November 16, 2020, through April 15, 2021. ([FINRA Case #2019064668001](#))

David Patrick Beston (CRD #5296215, New York, New York)

November 12, 2020 – An AWC was issued in which Beston was assessed a deferred fine of \$5,000, suspended from association with any FINRA member in all capacities for five months, and ordered to pay deferred disgorgement of financial benefit received in the amount of \$7,500, plus interest. Without admitting or denying the findings, Beston consented to the sanctions and to the entry of findings that he caused his member firm to violate the Securities and Exchange Commission's (SEC) Regulation S-P: Privacy of Consumer Financial Information and Safeguarding Personal Information (Regulation S-P) by improperly removing and retaining customer non-public personal information from the firm without authorization. The findings stated that the information identified the customers by name and included their account values. In addition, the information contained several customers' account numbers. Beston printed and retained the information in anticipation of departing the firm and serving as a registered representative elsewhere, due to a restructuring that jeopardized his employment with the firm. The findings also stated that after resigning from the firm and associating with another firm, Beston sold a sub-set of the information to another registered representative who was

associated with a different firm for \$7,500. Before delivering the information, Beston redacted the customer account numbers. However, the customers' names and account values were not redacted.

The suspension is in effect from November 16, 2020, through April 15, 2021. ([FINRA Case #2019062357402](#))

Ming Dang (CRD #5547457, New York, New York)

November 13, 2020 – An AWC was issued in which Dang 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, Dang consented to the sanctions and to the entry of findings that he failed to notify his member firm prior to engaging in an OBA related to his work for an insurance holding company that competed with an insurance affiliate of the firm. The findings stated that while Dang was associated with the firm, he provided financial analyses and related services to the holding company that was formed for the purpose of owning and managing insurance companies. The holding company was founded by former employees of the firm's corporate parent and was engaged in the same line of business as the firm affiliate. Among other work he performed for the holding company, Dang helped prepare a business plan that was sent to prospective investors and assisted with formulating the holding company's strategy for acquiring an entity that the firm's insurance affiliate had expressed an interest in acquiring. Dang also accessed materials belonging to the firm's insurance affiliate. Dang spent hundreds of hours rendering services to the holding company and he reasonably expected to be compensated for this work. After Dang left the firm, he became a salaried employee of the holding company and was given an ownership interest in an affiliate of the holding company. Dang took affirmative steps to conceal his conduct. For example, Dang made false statements to the firm in compliance questionnaires and a certification in which he denied engaging in any OBAs.

The suspension is in effect from November 16, 2020, through April 15, 2021. ([FINRA Case #2018060737301](#))

Philip Anthony Simone (CRD #1623827, Olmsted Township, Ohio)

November 13, 2020 – An AWC was issued in which Simone was assessed a deferred fine of \$12,500, suspended from association with any FINRA member in all capacities for 11 months, and ordered to pay \$35,000, plus interest, in restitution to a customer. Without admitting or denying the findings, Simone consented to the sanctions and to the entry of findings that he borrowed a total of \$133,000 from two elderly customers of his member firm, without notifying or receiving prior approval from the firm. The findings stated that Simone received loans totaling \$43,000 from the first customer, and loans totaling \$90,000

from the second customer. The loans Simone received from the first customer were not documented in writing, but the customer understood that the funds would be returned in full, with interest, within a year. The loans Simone received from the second customer were documented in promissory notes and executed by the customer and Simone. The promissory notes provided that the loan would be repaid in full, with interest, within 120 days. Simone repaid the second customer in full, plus interest, and repaid the first customer approximately \$8,000. Simone falsely stated on compliance questionnaires that he had not borrowed funds from a client and made a false statement to the first customer in order to obtain additional time to repay the loans. The findings also stated that Simone created and submitted falsified firm account statements and supporting documents to a third-party bank in support of a personal mortgage application. Simone created and submitted an account statement for his personal firm account, which he falsified using customer information to reflect that the value of the assets was approximately \$30,000 instead of \$10,000; a pay stub issued by the firm, which he falsified to reflect deferred compensation due and owing to him in the amount of \$95,250; and an employment verification letter that Simone executed using the name of a sales assistant who he misrepresented was a member of the firm's human resources department. Simone submitted the falsified documents to ensure he qualified for the mortgage.

The suspension is in effect from November 16, 2020, through October 15, 2021. ([FINRA Case #2019062406701](#))

David Todd Phillips (CRD #3094195, Gilbert, Arizona)

November 18, 2020 – An AWC was issued in which Phillips was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for nine months. Without admitting or denying the findings, Phillips consented to the sanctions and to the entry of findings that he participated in private securities transactions without prior disclosure to and approval from his member firm. The findings stated that Phillips solicited investors to purchase \$876,636 in securities of a company that represented itself as a structured cash flow investment. Phillips received a total of \$33,184 in commissions in connection with his sales of the company's securities. Later, the company ceased business, owing nearly \$300 million in unpaid investor payments. In an indictment, the United States charged the company and its owner with conspiracy to engage in mail and wire fraud related to its operations. Subsequently, Phillips entered into a settlement agreement with a court-appointed receiver for the company, agreeing to repay \$22,500 of the \$33,184 in commissions that he received from his sales of the company's securities.

The suspension is in effect from December 7, 2020, through September 6, 2021. ([FINRA Case #2018060312301](#))

John Hillman Timberlake ([CRD #2109445](#), Atlanta, Georgia)

November 18, 2020 – An AWC was issued in which Timberlake was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Timberlake consented to the sanctions and to the entry of findings that he used his personal cellular phone to exchange numerous business and securities related text messages with customers without providing copies to his member firms, thereby preventing the firms from preserving the communications. The findings stated that Timberlake confirmed orders, communicated regarding specific securities and related news and texted the customers information about their profits and losses. The findings also stated that Timberlake sent text messages to a customer that included promissory, exaggerated, unwarranted and misleading statements.

The suspension is in effect from December 7, 2020, through April 6, 2021. ([FINRA Case #2019064516901](#))

Kurt Jason Gunter ([CRD #2747789](#), Lakeway, Texas)

November 20, 2020 – An AWC was issued in which Gunter was fined \$10,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Gunter consented to the sanctions and to the entry of findings that he engaged in an unsuitable pattern of short-term trading of UITs in customer accounts. The findings stated that Gunter recommended that his customers roll over a UIT before its maturity date to purchase a subsequent series of the same UIT that generally had the same or similar investment objectives and strategies as the prior series. Gunter's recommendations caused his customers to incur unnecessary sales charges and were unsuitable in view of the frequency and cost of the transactions. Gunter's customers received reimbursement of the excess sales charges from his member firm in connection with FINRA's separate settlement with the firm. The findings also stated that Gunter signed switch letters that were sent to customers that contained inaccurate or missing information about the costs that they incurred as a result of early rollovers of UITs. The switch letters were intended to provide customers with necessary information about the switch transaction, including its costs. Although Gunter verbally notified customers of the costs of UITs, some of the UIT switch letters that Gunter signed and that were sent to customers either contained inaccurate information about the costs customers incurred in connection with their early UIT rollovers or failed to specify the costs. On average, the switch letters that contained inaccurate information understated the sales charges that the customers incurred by approximately \$2,500.

The suspension is in effect from December 21, 2020, through March 20, 2021. ([FINRA Case #2018057226601](#))

Vincent Anthony Virga ([CRD #5070668](#), Naples, Florida)

November 20, 2020 – An AWC was issued in which Virga was fined \$5,000, suspended from association with any FINRA member in all capacities for one month, and ordered to pay \$19,687, plus interest, in restitution to a customer. Without admitting or denying the findings, Virga consented to the sanctions and to the entry of findings that he recommended that a retired customer purchase \$480,000 in mutual funds, but failed to disclose to the customer available cost savings, including those provided through rights of accumulation, breakpoint levels and choosing to purchase mutual funds in the same fund family. The findings stated that based on Virga's recommendations, the customer invested in mutual funds in different fund families. The customer paid \$80,000 for each mutual fund investment, totaling \$480,000. These investments were part of a larger investment plan that Virga had recommended for the customer. Although the customer received some breakpoint discounts for the mutual funds purchased, he still paid \$19,687 in sales charges. Virga failed to disclose to the customer available cost savings based on a right of accumulation arising from the customer's existing mutual fund investments held at another firm, of which Virga was aware, or should have been aware. Further, Virga failed to disclose to the customer that even greater cost savings were available, including, potentially paying no sales charges whatsoever, if the customer purchased mutual funds in one or two fund families, such as the fund family in which the customer was already invested at the other firm.

The suspension is in effect from December 21, 2020, through January 20, 2021. ([FINRA Case #2019061187801](#))

Kevin Paul Rast ([CRD #1350998](#), Phoenix, Maryland)

November 23, 2020 – An AWC was issued in which Rast was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Rast consented to the sanctions and to the entry of findings that in response to FINRA's requests for evidence of supervisory reviews of municipal securities trading, he altered and submitted documents to FINRA that gave the false appearance that he had contemporaneously reviewed those documents when he had not done so. The findings stated that Rast downloaded report cards from the MSRB's RTRS that related to his member firm's municipal securities reporting and showed the number and percentage of trades the firm reported late. Each report card included the date Rast downloaded the document from RTRS. Rast deleted the download dates on each report card, circled percentages on some report cards and initialed each one. Rast then produced these altered documents to FINRA. The findings also stated that in two municipal bond transactions, Rast failed to ensure that his firm made proper disclosures of certain potential material conflicts of interest. As the municipal securities principal responsible for oversight of the firm's activities in connection with the offerings, Rast was responsible for ensuring that all appropriate disclosures were made, in writing, to the offering participants. In both offerings, the proceeds were lent to a non-profit entity and used to purchase and

redevelop specific housing projects. A company acted as asset manager and consultant in each of the deals. During the time it was acting as co-underwriter, the firm had financial relationships with the company and its affiliate. The firm had made a \$175,000 equity investment in the company. In exchange, the firm received seven Class A Preferred Member Units in the company and was offered a seat on the company's board. The firm had also lent \$75,000 to the affiliate, which had not been repaid in full at the time of the bond offerings. The firm obtained its role as co-underwriter, even though it had no previous experience with municipal bond offerings, through the intercession of the owners of the company and affiliate. The firm did not make a written disclosure of these relationships with the company or the affiliate to the issuers, customers, or other participants in the bond offerings, notwithstanding the potential conflicts of interest they posed.

The suspension is in effect from December 7, 2020, through April 6, 2021. ([FINRA Case #2016049886601](#))

Timothy David O'Brien (CRD #1182298, Inver Grove Heights, Minnesota)

November 24, 2020 – An AWC was issued in which O'Brien was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, O'Brien consented to the sanctions and to the entry of findings that he placed unauthorized trades in a customer's account. The findings stated that O'Brien sold a limited partnership position in the customer's account and purchased Class A shares of a mutual fund. O'Brien attempted to call the customer to discuss the trades but did not reach her before executing the transactions. The customer complained to O'Brien's member firm about his unauthorized trades in her account, but ultimately declined to reverse the transactions.

The suspension is in effect from December 7, 2020, through January 20, 2021. ([FINRA Case #2019061380101](#))

Thomas James Barone (CRD #5538663, Newark, New Jersey)

November 25, 2020 – An AWC was issued in which Barone 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, Barone consented to the sanctions and to the entry of findings that he forged certain signatures of an insurance customer and his wife on a whole life insurance policy application and related documents. The findings stated that when the insurance policy went into effect, Barone signed the customer's signature to a policy illustration document and receipt form. Barone also signed the policy receipt form as agent, falsely certifying that he had delivered the signed application and policy illustration to the customer. Barone signed the forms with the mistaken understanding from another registered representative in his office that he had permission from the customer to sign on their behalf. Barone received approximately \$3,200 in upfront and trailing commissions as a result of the sale. Subsequently, the customer complained

that the policy had not been authorized and wanted to be repaid for the premium payments, which had been automatically debited from his account. To settle the complaint, Barone paid \$10,000 without the firm's knowledge or approval. Later, the firm commenced an investigation during which Barone falsely denied forging any of the documents. The firm later settled fully with the customer.

The suspension is in effect from December 7, 2020, through April 6, 2021. ([FINRA Case #2019062300001](#))

Joseph Dwayne Olheiser ([CRD #4543537](#), El Dorado Hills, California)

November 25, 2020 – An AWC was issued in which Olheiser was fined \$5,000 and suspended from association with any FINRA member in all capacities for 10 business days. Without admitting or denying the findings, Olheiser consented to the sanctions and to the entry of findings that he caused his member firm to violate the SEC's Regulation S-P by improperly removing non-public personal customer information from the firm without the customers' knowledge or consent. The findings stated that in anticipation of joining another firm, Olheiser improperly removed the customers' non-public personal information, which he had received from his firm as part of his employment as a registered representative. Olheiser faxed to the other firm the client profile information for customers of his firm in order to open accounts at the other firm. The firm client profiles included detailed information such as account numbers, account objectives, investment time horizons, risk tolerances and account balances. Olheiser improperly possessed this information after leaving the firm.

The suspension was in effect from December 21, 2020, through January 5, 2021. ([FINRA Case #2019062873001](#))

Daniel Hee ([CRD #5934535](#), Honolulu, Hawaii)

November 27, 2020 – An AWC was issued in which Hee was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for ten business days. Without admitting or denying the findings, Hee consented to the sanctions and to the entry of findings that he caused his member firm to violate the SEC's Regulation S-P by taking customers' non-public personal information from the firm and giving it to a registered representative he planned to work with at a new firm without the knowledge or consent of his firm or the customers. The findings stated that in anticipation of moving to a new firm, Hee printed account documents for customers and hand-delivered them to the representative at the new firm. The documents Hee delivered included social security numbers, birth dates and account numbers, which was information provided to the firm by those customers. The documents Hee removed were never uploaded to the new firm's system and were not used to recruit any customers away from the original firm.

The suspension was in effect from December 7, 2020, through December 18, 2020. ([FINRA Case #2018060447501](#))

Complaint 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 these allegations in the complaint.

Ji Jun Yang ([CRD #6084289](#), Harbor City, California)

November 16, 2020 – Yang was named a respondent in a FINRA complaint alleging that he converted approximately \$41,000 from his member firm by causing it to pay for fictitious meal and taxi expenses charged to Yang's firm issued corporate credit card. The complaint alleges that Yang did so by creating Square and PayPal accounts for fictitious food and taxi vendors, linking those accounts to his personal bank account, and then causing the firm to pay the fictitious charges that he submitted, or caused to be submitted, in expense reports with false receipts to the firm through its travel and expense system. In a handful of instances, Yang also sought and received reimbursement for purported meals from one of the fictitious places which he paid with his personal credit card. Yang also attributed certain fictitious expenses to firm clients. After discovering Yang's misconduct, the firm reimbursed the clients who had been billed and paid for Yang's fictitious expenses. Yang has not repaid the firm for the funds he received through his false expense submissions. The complaint also alleges that Yang falsified firm documents by submitting the false expense reports to the firm. The complaint further alleges that Yang failed to respond to FINRA's requests for documents and information made in connection with its investigation into his fictitious expenses. ([FINRA Case #2019061187102](#))

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

Avalon Investment & Securities Group, Inc. (CRD #6281)
Muscle Shoals, Alabama
(November 6, 2020)
FINRA Case #2020065130101

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.)

Hamerslag Sulzberger Borg Capital Markets, Inc. (CRD #103460)
New York, New York
(June 5, 2020 – November 24, 2020)

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.)

Casey Francis Brougham (CRD #4924133)
Manchester, Maine
(November 16, 2020)
FINRA Case #2020065356701

Derek Edwards (CRD #2379889)
Fairburn, Georgia
(November 30, 2020)
FINRA Case #2020066087601

Curt Giacobbe (CRD #2682776)
Northport, New York
(November 6, 2020)
FINRA Case #2020065067201

Young Ju Kim (CRD #7150344)
Los Angeles, California
(November 16, 2020)
FINRA Case #2019062646301

Kevin Leonard Lafollette (CRD #6194286)
Columbus, Ohio
(November 30, 2020)
FINRA Case #2020065715501

Paul Richard McGonigle (CRD #1220690)
Middleboro, Massachusetts
(November 16, 2020)
FINRA Case #2020065593901/Expedited Proceeding #FPI200003

Naveed Mitha (CRD #6167691)
Tucker, Georgia
(November 10, 2020)
FINRA Case #2020065570901

Jose Antonio Montero (CRD #6895667)
Warrenville, Illinois
(November 2, 2020)
FINRA Case #2019062735401

Cleavon Tidball (CRD #2615359)
Owings Mills, Maryland
(November 9, 2020)
FINRA Case #2020065967401

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.)

Jason J. Anderson (CRD #6034985)
Savannah, Georgia
(November 23, 2020)
FINRA Case #2020066641201

Solomon Apprey (CRD #6991143)
Bronx, New York
(November 30, 2020)
FINRA Case #2020065651101

Harry Werwage Lum Jr. (CRD #4898849)
Twinsburg, Ohio
(November 9, 2020)
FINRA Case #2019064506101

Timothy John Melvin (CRD #2967309)
Springboro, Ohio
(November 2, 2020)
FINRA Case #2020065766801

Jeffrey Allen Sandwell (CRD #5864098)
Las Vegas, Nevada
(November 30, 2020)
FINRA Case #2020065053401

Jon Curt Scheier (CRD #5726216)
Denison, Texas
(November 23, 2020)
FINRA Case #2020065089002

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

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

Dane Alvin Brinkman (CRD #4485043)
Nevada City, California
(November 11, 2020)
FINRA Arbitration Case #08-03708

Jonah Engler (CRD #4216259)
Brooklyn, New York
(November 24, 2020)
FINRA Arbitration Case #20-01309

David Wilson Fleming Jr. (CRD #1021968)
Stamford, Connecticut
(November 25, 2019 – November 3, 2020)
FINRA Arbitration Case #17-01369

Justin J. Harris (CRD #5659286)
Warfield, United Kingdom
(November 24, 2020)
FINRA Arbitration Case #18-01889

Eric Travis Roark (CRD #4177967)
Hoboken, New Jersey
(November 11, 2020)
FINRA Arbitration Case #20-01148

Yousuf Saljooki (CRD #5045123)
Melville, New York
(November 11, 2020)
FINRA Arbitration Case #20-00470

Josef Paul Schaible (CRD #2636323)

Westminster, Colorado

(November 24, 2020)

FINRA Arbitration Case #18-02834

David Leonard Sheppard (CRD #2527279)

Taunton, Massachusetts

(November 27, 2020)

FINRA Arbitration Case #17-01716

Paul Francis Stanford (CRD #4462035)

Plymouth, Massachusetts

(September 4, 2020 – November 5, 2020)

FINRA Case #20200669721/ARB200023/

Arbitration Case #13-03006

Gary Michael Strange (CRD #1655033)

Louisburg, North Carolina

(November 27, 2020)

FINRA Arbitration Case #18-02977

Robert Roy Whittenburg (CRD #3203078)

Lewisville, Texas

(November 27, 2020)

FINRA Arbitration Case #20-01420