

# Disciplinary and Other FINRA Actions

## Firm Expelled, Individual Sanctioned

**Buy the Block (Funding Portal Org ID #287496, Denver, Colorado) and Linda Pierre Smith (CRD #6768264, Denver, Colorado)**

February 9, 2022 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was expelled from FINRA funding portal membership and Pierre Smith was barred from association with any FINRA funding portal member in all capacities. Without admitting or denying the findings, the firm and Pierre Smith consented to the sanctions and to the entry of findings that they refused to respond to a request for documents and information and to appear for on-the-record testimony requested by FINRA. The findings stated that this matter originated from FINRA's investigation of the firm's and Pierre Smith's potential misuse of investor funds and failure to use a qualified third-party to hold investor funds as required by Regulation Crowdfunding Rule 303(e). ([FINRA Case #2020065330101](#))

## Firms Fined

**Nobles & Richards, Inc. (CRD #146870, Plano, Texas)**

February 9, 2022 – An AWC was issued in which the firm was censured, fined \$25,000 and required to implement supervisory systems and written supervisory procedures (WSPs) reasonably designed to address the disqualification provisions in Securities and Exchange Commission (SEC) Regulation D Rule 506(d)(1). Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to conduct reasonable due diligence prior to serving as the managing broker-dealer for two private placement offerings involving a manager, who was a director, general partner, or managing member in the case of each issuer. The findings stated that the firm was aware that the manager was subject to a consent order and undertaking with the Securities Division of the Office of the Secretary of the Commonwealth of Massachusetts. In the consent order, the manager was ordered to cease and desist committing violations of the securities registration provisions of the Massachusetts Securities Act and the order also contained an undertaking that prohibited the manager from acting as a manager, director, officer, partner, or control person of any Massachusetts entity offering or selling securities in the Commonwealth of Massachusetts for a period of five years. The relevant prohibitions contained within the consent order did not terminate until after the firm completed serving as the managing broker-dealer for the offerings. Prior to approving and selling the two offerings, the firm failed to obtain and review a copy of the consent order and undertaking during its due diligence process. As

## Reported for April 2022

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).

## Search for FINRA Disciplinary Actions

All formal disciplinary actions are made available through a publicly accessible online search tool called FINRA Disciplinary Actions Online shortly after they are finalized.

Visit [www.finra.org/disciplinaryactions](http://www.finra.org/disciplinaryactions) to search for cases using key words or phrases, specified date ranges or other criteria.

a result, the firm failed to determine the impact of the consent order and whether the consent order and undertaking had any impact on whether the SEC Regulation D Rule 506 securities offering registration exemption was available for the two offerings. The findings also stated that in a contingency private placement offering of securities, the firm, while serving as the managing broker-dealer, failed to use an escrow agent and instead transmitted funds directly to the issuer. The offering was sold on a best-efforts basis with a minimum contingency. The firm failed to deposit investor funds from this minimum contingency offering into an escrow account. In addition, the firm deposited investor funds directly into bank accounts of the issuer four days prior to the minimum contingency being satisfied. ([FINRA Case #2017055743101](#))

**First Manhattan Co. (CRD #1845, New York, New York)**

February 11, 2022 – An AWC was issued in which the firm was censured, fined \$250,000 and required to certify that its WSPs and supervisory system are reasonably designed to achieve compliance with Section 5 of the Securities Act of 1933 (Securities Act) and that it has established and implemented policies and procedures that can be reasonably expected to detect and cause the reporting of transactions required under the Bank Secrecy Act and the implementing regulations thereunder. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system and failed to establish, maintain and enforce written procedures, reasonably designed to achieve compliance with Section 5 of the Securities Act. The findings stated that the firm's WSPs were not reasonably designed to avoid becoming a participant in the potential unregistered distribution of securities. The firm's WSPs did not include procedures regarding how to conduct a searching inquiry to determine whether a transaction complied with the registration requirements of Section 5. Instead, the firm's WSPs only stated that a principal should be consulted for assistance. Moreover, even though the firm, in practice, used a pre-clearance form in connection with its Section 5 reviews, the WSPs failed to even mention the pre-clearance form. The firm's system for compliance with Section 5 relied entirely on the pre-clearance form that representatives were required to complete prior to the deposit or sale/transfer of microcap shares. The pre-clearance form did not provide any guidance about what documentation the representative should review prior to the deposit or sale of any microcap security to verify the information set forth on the pre-clearance form. The firm also did not have any process for ensuring that representatives completed the pre-clearance form. As a result, the firm accepted deposits of microcap securities without first having received a completed pre-clearance form from the customer's representative. The findings also stated that the firm failed to establish and implement an anti-money laundering (AML) program reasonably expected to detect and cause the reporting of suspicious transactions in microcap securities. The firm's AML procedures did not provide guidance about

how to identify or address red flags of suspicious trading in microcap securities. The firm's procedures also failed to require that the firm monitor, for AML purposes, information collected during its pre-clearance process for microcap securities. Therefore, even when customers deposited and quickly liquidated and wired out the proceeds of microcap securities, the firm's procedures did not require it to review those transactions for potential Bank Secrecy Act reporting. In addition, the firm did not have a reasonable system to identify suspicious trading in microcap securities. The firm's exclusive method for doing so was through the use of an exception report that only surveilled transactions of 50 million shares or more. As nearly all of the firm's customers' microcap activity involved fewer than 50 million shares per transaction, this exception report was not tailored to the firm's business. As a result, a small number of firm customers deposited fewer than 50 million shares of microcap securities, liquidated some or all of the securities, and withdrew the funds shortly thereafter—without the firm detecting or investigating that activity. ([FINRA Case #2020066627201](#))

**Liquidnet, Inc. ([CRD #103987](#), New York, New York)**

February 22, 2022 – 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 published inaccurate data in monthly reports it was required to publish pursuant to Regulation NMS Rule 605. The findings stated that those reports were inaccurate because the firm misclassified, and incorrectly reflected in its Rule 605 reports, certain marketable limit orders in NMS stocks as inside-the-quote limit orders. Specifically, the firm received “parent” limit orders from its customers and, upon receipt, simultaneously routed “child” orders to its alternative trading systems. The firm incorrectly classified these order types for purposes of Rule 605 in one of its alternative trading systems based on the execution price of the child order instead of the limit price of the parent order. This misclassification affected 30 consecutive Rule 605 reports published by the firm. ([FINRA Case #2017053083501](#))

**Barclays Capital Inc. ([CRD #19714](#), New York, New York)**

February 24, 2022– An AWC was issued in which the firm was censured and fined \$350,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to apply market access controls and procedures to orders routed by one of its risk management systems because it mistakenly treated that system as not having order entry and execution capabilities. The findings stated that the firm mischaracterized the system as not offering order entry and execution functionality and excluded the system from its Global Electronic Trading Governance and Controls Policy, which was intended to identify all firm systems that required the application of market access controls and procedures. As a result, the firm did not apply market access controls and procedures to orders that

the system generated and routed. The firm's failure to apply market access controls and procedures to this system resulted in the firm participating in monthly Special Opening Quotations and routing orders for contracts to the market unchecked. As a result of this failure, the firm did not prevent the entry of erroneous orders totaling \$11,800,000 rather than the intended \$118,000 through participation in a Special Opening Quotation on one day. This caused the firm's Index Options Flow Derivatives Trading Desk to exceed its assigned \$4 billion capital limit by approximately \$8 billion. After that, the firm temporarily stopped using the system to enter orders. The firm also characterized the system as in-scope for purposes of its Global Electronic Trading Governance and Controls Policy. Subsequently, the firm applied market access controls and procedures to the system's order flow. ([FINRA Case #2019063248401](#))

## Individuals Barred

**William Nicholas Athas** ([CRD #3165470](#), Manorville, New York)

February 7, 2022 – An Order Accepting Offer of Settlement was issued in which Athas was barred from association with any FINRA member in all capacities. Without admitting or denying the allegations, Athas consented to the sanction and to the entry of findings that he willfully violated Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder and violated FINRA Rule 2020 by churning customer accounts. The findings stated that Athas acted with intent to defraud or, at the very least, with reckless disregard of his customers' interests, seeking to maximize his own compensation in disregard of the interests of his customers. Athas deliberately incurred unreasonably high trading costs in his customers' accounts, which made it virtually impossible for the accounts to be profitable. Athas' trading in the customer accounts caused approximately \$1.1 million in losses, while Athas received substantial income from trading the accounts. Athas persisted in his trading activity even after being warned about the excessive level of trading and high costs in these customer accounts on several occasions. The findings also stated that Athas' trading in the customer accounts was excessive and quantitatively unsuitable for each of the customers based on their investment profiles. This was evidenced by high turnover rates and cost-to-equity ratios, the frequency of the transactions and the transaction costs incurred. Athas' trading resulted in cost-to-equity ratios ranging from approximately 56 percent to 246 percent and turnover rates ranging from approximately 17 to 75. Athas' churning and excessive trading caused the customers to pay approximately \$1.6 million in commissions and other trading costs. Conversely, Athas generated commissions of approximately \$1.5 million for himself and his member firms. The findings also included that Athas failed to fulfill his reasonable basis suitability obligations. Athas failed to perform reasonable diligence to understand the cumulative costs of his trading, including commissions, other trading costs and margin interest. Athas also

failed to perform reasonable diligence to understand the impact of these cumulative costs on the value of his customers' accounts or the ability of his customers to earn a profit. In addition, Athas failed to understand turnover rates and cost-to-equity ratios and therefore failed to calculate and consider these metrics when recommending and executing a short-term, in-and-out trading strategy in his customers' accounts. ([FINRA Case #2018057883102](#))

**David Joseph Campanella ([CRD #4801465](#), Hudson, Ohio)**

February 14, 2022 – An AWC was issued in which Campanella was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Campanella consented to the sanction and to the entry of findings that he provided an inaccurate and incomplete response to FINRA's request for documents and information in connection with its investigation into allegations that he had undisclosed brokerage accounts while associated with his member firm. The findings stated that among other things, FINRA requested that Campanella identify brokerage and money market accounts currently or formerly held by him, his spouse, or any business in which he or his spouse had a beneficial interest. Campanella provided an inaccurate and incomplete response by failing to identify at least one account, which was material to FINRA's investigation. ([FINRA Case #2021071402501](#))

**Robert Jonathan Spencer ([CRD #431878](#), Cheektowaga, New York)**

February 14, 2022 – An AWC was issued in which Spencer was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Spencer consented to the sanction and to the entry of findings that he refused to produce documents and information requested by FINRA in connection with its investigation into whether he participated in unapproved private securities transactions. ([FINRA Case #2020068414601](#))

**Ian Michael Pierce ([CRD #6205487](#), Torrington, Connecticut)**

February 23, 2022 – An AWC was issued in which Pierce was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Pierce consented to the sanction and to the entry of findings that he converted funds from one of his insurance customers. The findings stated that Pierce arranged for two loans totaling \$2,885 to be taken against the cash value of his customer's insurance policy without her knowledge and consent. Pierce initiated and processed the loans through an internal system at his member firm's parent company. After the parent company deposited the loan proceeds into the customer's checking account, she asked Pierce why she had received the funds. Pierce instructed the customer to transfer the loan proceeds to Pierce's personal bank account and falsely stated he would re-apply the funds to the customer's insurance policy. However, after the customer transferred the funds, Pierce did not re-apply the funds to her insurance policy, but instead, spent the money on personal purchases. The parent

company reimbursed the customer for her losses. The findings also stated that Pierce repeatedly misrepresented to the customer that she no longer needed to pay the premiums for her insurance policy, causing the premium payments to be paid by automatic premium loans. Pierce also informed the customer that all her insurance policies were in order and that her disability insurance remained in effect when in fact it had lapsed. In addition, Pierce emailed the customer the financial history of her insurance policies, which Pierce had prepared and falsely represented fictitious premium payments and account balances. ([FINRA Case #2020066086301](#))

**Jon Stankovich ([CRD #4810172](#), Tinton Falls, New Jersey)**

February 28, 2022 – An AWC was issued in which Stankovich was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Stankovich consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with an investigation into the circumstances giving rise to his termination from his member firm. The findings stated that Stankovich's firm filed a Uniform Termination Notice for Securities Industry Registration (Form U5) disclosing that he was discharged due to concerns regarding his allocation of revenue into his own production number rather than a joint production number shared with another employee. ([FINRA Case #2018058292301](#))

**Alon Zak ([CRD #5734529](#), Valley Village, California)**

February 28, 2022 – An OHO decision became final in which Zak was barred from association with any FINRA member in all capacities. In light of the bar, no other sanctions are imposed. The sanction was based on findings that Zak falsified and forged life insurance policy applications and submitted them to his member firm for processing without the customers' knowledge or consent. The findings stated that although one of the customers had discussed with Zak the possibility of purchasing a life insurance policy, she never authorized him to electronically sign or submit the application on her behalf. In addition, Zak completed applications for two additional customers without meeting with them, and neither customer authorized Zak to electronically sign or submit the applications. The firm rejected two of the insurance policy applications because it could not obtain additional information necessary to complete the application process, and Zak ultimately withdrew the other application. Although none of these applications were approved, Zak earned express commissions of approximately \$11,200 for the applications submitted in the names of two of the customers. The findings also stated that Zak failed to timely respond to FINRA's requests for information and documents. FINRA requested that Zak provide account statements for his bank, brokerage, and credit card accounts, as well as his tax returns. After initially failing to respond, Zak ultimately provided only partial responses to the requests. Only after being suspended by FINRA did Zak provide the missing information and documents. The findings also included that Zak failed to provide on-the-record testimony requested by FINRA. ([FINRA Case #2020065349803](#))



## Individuals Suspended

### **Reid Christian Andrew ([CRD #7056210](#), San Juan Capistrano, California)**

February 1, 2022 – An AWC was issued in which Andrew was fined \$5,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Andrew consented to the sanctions and to the entry of findings that he possessed unauthorized materials while taking the North American Securities Administrators Association (NASAA) Series 66 Uniform Combined State Law Examination (Series 66). The findings stated that prior to the examination, Andrew attested that he had read and would abide by FINRA's Qualifications Examinations Rules of Conduct, which among other things, prohibits the use or attempted use of phones during the exam and requires candidates to store all personal items in the locker provided by the test vendor prior to entering the test room. During an unscheduled break, Andrew possessed and had access to his cellular phone which contained study materials for the exam.

The suspension is in effect from March 7, 2022, through September 6, 2023. ([FINRA Case #2021071087901](#))

### **Ronald Scott Bright ([CRD #2702179](#), Happy Valley, Oregon)**

February 1, 2022 – An AWC was issued in which Bright was fined \$5,000 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Bright consented to the sanctions and to the entry of findings that he exercised discretion without written authorization when executing transactions for customer accounts in connection with switching certain of the customers' assets between mutual fund families. The findings stated that Bright made these transactions based on communications with his customers that occurred three or more days before he placed the trades. Although Bright discussed the mutual fund switching strategy with the customers, he did not speak with them about the specific trades on the dates of the transactions. In addition, Bright's member firm had not approved any of these accounts for discretionary trading.

The suspension was in effect from March 7, 2022, through March 25, 2022. ([FINRA Case #2020066230301](#))

### **Michael A. Mollura ([CRD #7294849](#), Massapequa, New York)**

February 1, 2022 – An AWC was issued in which Mollura was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Mollura consented to the sanctions and to the entry of findings that he possessed prohibited materials while taking the Series 66 examination. The findings stated that prior to beginning the examination, Mollura attested that he had read and would abide by FINRA's Qualifications Examinations Rules of Conduct, which require candidates to store all

personal items in the locker provided by the test vendor prior to entering the test room, and prohibit any use, attempted use, or access to personal items, including study materials, during the examination. However, Mollura possessed and took notes on personal paper during the examination.

The suspension is in effect from February 7, 2022, through August 6, 2023. ([FINRA Case #2021071027601](#))

**Joseph John Weinrich Sr. ([CRD #461987](#), Overland Park, Kansas)**

February 1, 2022 – An OHO decision became final in which Weinrich was fined \$5,000 and suspended from association with any FINRA member in all capacities for 30 business days. The sanctions were based on the findings that Weinrich willfully failed to timely amend his Uniform Application for Securities Industry Registration or Transfer (Form U4) to disclose a joint Chapter 7 bankruptcy petition. The findings stated that Weinrich had notice of his bankruptcy petition at the time it was filed. When Weinrich's association with his member firm ended, he amended his Form U4 four times. Weinrich's failure to disclose his petition continued until over two years later. The findings also stated that Weinrich made false and inaccurate statements to his firm in his annual compliance questionnaire. The questionnaire asked if Weinrich had filed for bankruptcy within the previous three years, and if he was, or had ever been, involved in any bankruptcy proceeding. Weinrich falsely answered "no" to both questions. In addition, Weinrich certified that he had reviewed his Form U4, and it accurately reflected his required registration information and disclosures. In fact, Weinrich failed to disclose that his Form U4 did not refer to his bankruptcy petition.

The suspension was in effect from February 7, 2022, through March 21, 2022. ([FINRA Case #2018058611601](#))

**Lynn Cooper Faust ([CRD #729012](#), Greer, South Carolina)**

February 4, 2022 – An AWC was issued in which Faust was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Faust consented to the sanctions and to the entry of findings that she recommended an unsuitable pattern of short-term trading of UITs in customer accounts. The findings stated that Faust recommended that customers sell UITs short of maturity dates and roll the proceeds into new UITs. Almost half of these rollover transactions were series to series rollovers. As a result, on those occasions, Faust recommended her customers roll over a UIT well 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. Faust's recommendations caused her customers to incur unnecessary excess sales charges.

The suspension is in effect from March 7, 2022, through June 6, 2022. ([FINRA Case #2018060460401](#))



**Michael G. Mancinelli ([CRD #5505925](#), New York, New York)**

February 4, 2022 – An AWC was issued in which Mancinelli was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 30 business days. Without admitting or denying the findings, Mancinelli consented to the sanctions and to the entry of findings that he violated MSRB Rules G-8 and G-17 when he exercised discretionary trading in a customer account without having first obtained written authorization from the customer and written approval by his member firm. The findings stated that eventually, at the direction of his firm, Mancinelli obtained a signed written discretionary authorization form from the customer. The findings also stated that Mancinelli improperly marked municipal securities transactions in the same customer's account as unsolicited even though he had recommended many of the purchase and sale transactions to the customer, thereby causing the firm to have inaccurate books and records.

The suspension was in effect from February 7, 2022, through March 21, 2022. ([FINRA Case #2022073661801](#))

**Howell Gregory Ferguson ([CRD #4400990](#), Weimar, Texas)**

February 8, 2022 – An AWC was issued in which Ferguson was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for two years. Without admitting or denying the findings, Ferguson consented to the sanctions and to the entry of findings that he forged documents by signing a customer's name without the customer's prior permission. The findings stated that the forms were to request required minimum distributions from annuities and Ferguson caused those forms to be submitted to the annuity companies. The findings also stated that after FINRA initiated an investigation of Ferguson's conduct, he falsely denied signing the customer's name in response to FINRA's request for information. Subsequently, after FINRA obtained Ferguson's emails about the forms and requested information from him about those emails, Ferguson recanted his false statements and admitted that he had signed the customer's name without permission.

The suspension is in effect from February 22, 2022, through February 21, 2024. ([FINRA Case #2020065572901](#))

**Raphael Lashar Mack ([CRD #6391565](#), Gilbert, Arizona)**

February 9, 2022 – An AWC was issued in which Mack was suspended from association with any FINRA member in all capacities for six months. In light of Mack's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Mack consented to the sanction and to the entry of findings that he made reckless misrepresentations in a loan application and loan agreement he submitted to the Small Business Administration to obtain an Economic Injury Disaster Loan. The findings stated that in the loan application, Mack misrepresented

that he was the owner of a childcare business and that the business earned \$24,500 in revenue and incurred \$16,000 in costs during a one-year period. At that time, Mack had no disclosed outside business activities and did not have a business eligible for an Economic Injury Disaster Loan from the Small Business Administration. Later, Mack did some work for a childcare business, but he did not own that business and he earned only a few hundred dollars from that work. Based on Mack's misrepresentations, the Small Business Administration approved the loan application. Subsequently, Mack signed a loan agreement with the Small Business Administration, affirming that the representations in his application were correct. Mack did not review the information he had provided in the loan application prior to certifying its accuracy when he signed the loan agreement. As a result, the Small Business Administration provided Mack with a \$3,300 loan.

The suspension is in effect from February 22, 2022, through August 21, 2022. ([FINRA Case #2020068624101](#))

**Christopher Edward Bond ([CRD #4658534](#), Melville, New York)**

February 10, 2022 – An AWC was issued in which Bond was fined \$5,000 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Bond consented to the sanctions and to the entry of findings that he exercised discretion without written authorization with respect to securities transactions in customer accounts. The findings stated that although the customers gave Bond oral or implicit discretion to purchase or sell securities, none of the customers provided prior written authorization for him to exercise discretion in their accounts. In addition, Bond's member firm did not accept any of the customer accounts as discretionary accounts and, in fact, did not permit discretionary trading in non-advisory accounts. Subsequently, Bond stated on a firm compliance questionnaire that he had not engaged in discretionary trading.

The suspension was in effect from March 7, 2022, through March 25, 2022. ([FINRA Case #2020065532401](#))

**Arnold J. Feist ([CRD #1296808](#), Briarcliff Manor, New York)**

February 11, 2022 – An AWC was issued in which Feist was assessed a deferred fine of \$25,000, suspended from association with any FINRA member in any principal capacity for two months and required to satisfactorily complete 10 hours of continuing education concerning AML responsibilities. Without admitting or denying the findings, Feist consented to the sanctions and to the entry of findings that he, as his member firm's AML compliance officer, failed to establish and implement a reasonably designed AML program at the firm. The findings stated that Feist failed to meaningfully familiarize himself with the firm's AML program as it was being implemented on a day-to-day basis. Feist did not supervise the firm's AML analysts

or their supervisors. Nor did Feist take other steps to understand how the firm was implementing its AML program. Feist failed to regularly perform a monthly review of at least one of the firm's surveillance reports, as set forth in the firm's WSPs, and failed to develop an understanding of the firm's AML risk profile. Feist also did not assess whether the firm's AML analysts were reviewing the firm's AML surveillance reports on a timely basis and he did not take steps to determine whether the firm's AML investigations were adequate. Moreover, Feist failed to monitor other AML compliance activities at the firm, such as due diligence and enhanced due diligence for foreign financial institutions. The findings also stated that Feist learned about, but failed to recognize the importance of, facts that should have alerted him that the firm's AML program was not reasonably designed to detect and cause the reporting of suspicious activity or to comply with Bank Secrecy Act regulations. The findings also included that Feist incorrectly believed that the firm did not need to file a Suspicious Activity Report concerning suspicious activity it first learned about from regulators or law enforcement agencies investigating that same conduct.

The suspension is in effect from February 22, 2022, through April 21, 2022. ([FINRA Case #2015047770302](#))

**Jason Robert Stannard ([CRD #5132938](#), Colchester, Vermont)**

February 15, 2022 – An AWC was issued in which Stannard was fined \$2,500 and suspended from association with any FINRA member in all capacities for 10 business days. Without admitting or denying the findings, Stannard consented to the sanctions and to the entry of findings that he caused his member firm to maintain inaccurate books and records by changing the representative code on trades, which caused the trade confirmations to show an inaccurate representative code. The findings stated that Stannard entered into an agreement through which he agreed to service certain customer accounts, including executing trades for those accounts, under a joint representative code that he shared with two team members and a retired representative, who was a relative of Stannard. The agreement set forth what percentages of the commissions each representative would earn on trades placed using the joint representative code. Although the firm's system correctly prepopulated the trades with the applicable joint representative code, Stannard changed the code for the trades to his personal representative code. Prior to Stannard changing the code on the trades, the retired representative agreed that he could do so. Stannard also discussed changing the representative code with the two team members and mistakenly believed they also agreed that he could do so, but he was mistaken. Stannard's actions resulted in his receiving higher commissions from the trades than what he was entitled to receive pursuant to the agreement. Later, Stannard became aware that the team members had concerns about his changing the representative code on the trades at issue and he offered to reimburse them for the higher commissions he received. Before Stannard was discharged from the

firm, it credited the team members with a higher commission percentage for trades placed using the joint representative code, and reduced the commissions earned by Stannard for those trades, to reimburse the team members for the commissions they did not receive as a result of Stannard's changing the representative code. The retired representative refused to accept reimbursement from the firm.

The suspension was in effect from March 21, 2022, through April 1, 2022. ([FINRA Case #2019061720801](#))

**James R. Kirchner ([CRD #2852217](#), Chicago, Illinois)**

February 23, 2022 – An AWC was issued in which Kirchner 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, Kirchner consented to the sanctions and to the entry of findings that he falsified a document used in connection with the purchase of a private placement. The findings stated that when Kirchner submitted a customer's documentation to his member firm for approval, the firm rejected the proposed purchase because the customer had initialed the document incorrectly. Subsequently, Kirchner altered that document with the intention of submitting it to the firm to complete the customer's private placement purchase. Kirchner used his personal email address to send the original document to a third-party, a person he knew could electronically alter the document for him. This third-party received the document from Kirchner and then altered it by moving the customer's initials to the location that the firm required in order to approve the purchase. The third-party altered the document at Kirchner's request and sent it back to him using Kirchner's personal email address. Kirchner then used his personal email to send the falsified document back to his firm email account. Kirchner's use of his personal email account to communicate with the third-party violated the firm's written policy requiring that all business-related communications be conducted with firm-issued email addresses and Kirchner did so in order to circumvent his firm's supervisory review of his conduct. Although Kirchner did not submit the altered document to the firm, it identified his use of his personal email address and the falsification and terminated his registration with the firm.

The suspension is in effect from March 7, 2022, through May 6, 2022. ([FINRA Case #2018060946701](#))

**Andrew Bruce Elsoffer ([CRD #2580009](#), Pepper Pike, Ohio)**

February 25, 2022 – An AWC was issued in which Elsoffer was assessed a deferred fine of \$15,000 and suspended from association with any FINRA member in all capacities for two years. Without admitting or denying the findings, Elsoffer consented to the sanctions and to the entry of findings that he exercised discretion in customer accounts without prior written authorization from the customers and without his member firm having accepted the accounts as discretionary. The

findings stated that the customers understood that Elsoffer was conducting trading in their accounts. The findings also stated that Elsoffer loaned a total of \$13,703 to a customer without disclosing or seeking prior approval from the firm. Elsoffer assisted the customer, who was a close friend but not an immediate family member, with renovating his home at a time when the customer was unable to oversee the renovations himself. Elsoffer loaned the customer the funds to pay to the contractors renovating the home. The customer then reimbursed Elsoffer via three checks totaling \$2,703 drawn on his firm account and two checks totaling \$11,000 drawn on his bank account. The findings also included that Elsoffer initially provided false information to FINRA. FINRA requested that Elsoffer provide a signed statement addressing his termination from the firm and allegations that he had violated firm policy. In Elsoffer's written response, he misrepresented that all check writing was done from the customer's firm account. FINRA later asked Elsoffer whether, in addition to the three checks written from the firm account, the customer had written Elsoffer additional checks from any bank accounts and if so, to provide all supporting documentation. In his written response, Elsoffer misrepresented that no other checks existed. Elsoffer later corrected his prior misstatements by producing personal bank statements and two additional cancelled checks drawn on the customer's bank account totaling \$11,000.

The suspension is in effect from March 7, 2022, through March 6, 2024. ([FINRA Case #2018060469601](#))

## 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.

### **Gina Rea Kidd ([CRD #6658538](#), Lynchburg, Virginia)**

February 4, 2022 – Kidd was named a respondent in a FINRA complaint alleging that she failed to appear for on-the-record testimony requested by FINRA during the course of an investigation into allegations made in a Form U5 submitted by her member firm, which stated that she was terminated after allegations that she involved an unregistered person in activities that require registration. The complaint alleges that Kidd initially cooperated with the investigation by providing documents and information. However, Kidd's testimony was material to FINRA's investigation into her conduct at the firm and her failure to provide testimony impeded its investigation. ([FINRA Case #2019064729705](#))

**Worden Capital Management LLC ([CRD #148366](#), New York, New York)**

February 28, 2022 – The firm was named a respondent in a FINRA complaint alleging that it willfully violated Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder and violated FINRA Rule 2020 by raising over \$10 million from investors in private placement offerings without disclosing a material conflict of interest—that it had entered into a secret agreement to receive an additional eight percent commission on its sales of securities through these offerings. The complaint alleges that in total, the firm received \$609,500 in undisclosed commissions from sales of securities in the offerings. The firm's chief executive officer (CEO) approved the offerings on behalf of the firm and he knowingly or recklessly failed to disclose this secret compensation to the firm's brokers who, at the CEO's direction, sold the offerings. Therefore, firm brokers did not disclose this secret commission to investors when they recommended the investments. The complaint also alleges that the firm failed to reasonably supervise the sales of the offerings, including failing to enforce its own WSPs. The firm did not conduct reasonable due diligence on the offerings or complete a checklist for each of the offerings. Instead, the firm only conducted a cursory investigation into the non-registered entity that structured, created and managed the offerings (manager) and partially completed a single due diligence checklist prior to selling securities in the first of the offerings. The CEO's signature on this checklist permitted the firm's registered representatives to recommend and sell all of the offerings. The CEO signed this partially completed checklist even though he was not the firm's designated principal for private placements because the designated principal for private placements and the firm's compliance staff refused to sign it. At the time that the CEO signed this document, the firm had only just commenced its due diligence process and personnel at the firm did not yet understand the features, characteristics, or risks of the offerings. The firm had also not gathered relevant information required by its own written procedures. As a result, certain items on the due diligence checklist were left blank or marked "provided by issuer," when in fact, the issuer had not provided the information. Contrary to the firm's procedures for private placements, it did not gather financial information regarding the manager or the offerings, nor did the firm obtain information concerning any of the manager's prior offerings. The firm also failed to detect that FINRA had barred an individual who was associated with the offerings, although that information was easily discoverable from a document in its possession. The complaint further alleges that the firm did not have a reasonable basis to believe that its investment recommendations in the offerings were suitable for at least some investors. In addition, the complaint alleges that the firm never submitted to FINRA the offering materials provided to investors in the offerings. ([FINRA Case #2019064746502](#))



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**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.)

**Antonio Bestard (CRD #5709439)**  
San Diego, California  
(February 22, 2022)  
FINRA Case #2021072252901

**Kevin Karl Burckhard (CRD #1920694)**  
Minot, North Dakota  
(February 14, 2022)  
FINRA Case #2020068325701

**Darryl Matthew Cohen (CRD #2786613)**  
Las Vegas, Nevada  
(December 30, 2021)  
FINRA Case #2020066797301

**Odalis Y. Duran (CRD #5777173)**  
Bronxville, New York  
(February 28, 2022)  
FINRA Case #2021071467001

**Thomas James Hagan (CRD #1259122)**  
Sarasota, Florida  
(February 14, 2022)  
FINRA Case #2021070365601

**Forrest Jones (CRD #4880765)**  
Montgomery, Texas  
(February 28, 2022)  
FINRA Case #2020066745801

**Evan David Jordan (CRD #6823530)**  
Renton, Washington  
(February 15, 2022)  
FINRA Case #2021072685501

**Bryan Andrew Richey (CRD #5255547)**  
Maryville, Tennessee  
(February 14, 2022)  
FINRA Case #2021071000201

**Ebony Staples (CRD #7297835)**  
Woodridge, Illinois  
(February 22, 2022)  
FINRA Case #2021070354001

**Jordan David Whitacre (CRD #5828900)**  
Simpsonville, South Carolina  
(February 1, 2022)  
FINRA Case #2021072283401

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**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.)

**Kyleigh Haynes (CRD #6988886)**  
New Castle, Pennsylvania  
(February 14, 2022)  
FINRA Case #2021070561801

**Grant Andrew Hebeisen (CRD #6097447)**  
Lawrence, Kansas  
(February 7, 2022)  
FINRA Case #2021071854801

**Carl Michael Ippolito (CRD #4773246)**  
Lambertville, New Jersey  
(February 4, 2022)  
FINRA Case #2020068682501

**Jaime Quintero (CRD #4126618)**  
Albany, California  
(February 22, 2022)  
FINRA Case #2021071984201

**J-waun S. Smiley (CRD #7245773)**  
Phoenix, Arizona  
(February 22, 2022)  
FINRA Case #2021072338001

**Albert Tejada (CRD #6945107)**  
Bronx, New York  
(February 7, 2022)  
FINRA Case #2021072127001

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**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.)**

**Mamdoh Aziz Abas (CRD #1491900)**  
Laguna Beach, California  
(February 4, 2022)  
FINRA Arbitration Case #19-01231

**John Shannon Agostino  
(CRD #3259095)**  
San Marcos, California  
(February 4, 2022)  
FINRA Arbitration Case #20-01237

**Adam Craig Schachter (CRD #2487626)**  
Lake Worth, Florida  
(July 6, 2020 – February 15, 2022)  
FINRA Case #20200665899/ARB200017