

# Disciplinary and Other FINRA Actions

## Firm Fined, Individual Sanctioned

**Innovation Partners LLC** ([CRD® #146344](#), Charlotte, North Carolina) and **Yanique Elaine Lawrence** ([CRD #3234186](#), Charlotte, North Carolina)

August 26, 2019 – An Offer of Settlement was issued in which the firm was censured, fined \$60,000 and required to certify that it has reviewed and revised, as necessary, its systems, policies, and procedures regarding preventing unregistered persons from acting in a capacity that requires registration and statutorily disqualified individuals from associating with the firm and that the firm’s systems, policies and procedures are reasonably designed to achieve compliance with the applicable FINRA rules. Moreover, a principal of the firm must certify that it currently has no unregistered individuals acting in a capacity that requires registration, has no statutorily disqualified individuals associating with it, and that individuals no longer associated with the firm do not have access to its systems. Lawrence was barred from association with any FINRA member in any principal capacity, assessed a deferred fine of \$20,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the allegations, the firm and Lawrence consented to the sanctions and to the entry of findings that they permitted an individual to engage in activities on behalf of the firm, including clerical and managerial, that required registration while he was not registered with the firm and while he was statutorily disqualified from association. The findings stated that the firm and Lawrence permitted the individual to access and use the firm’s email system and did not notify associated persons of the firm in writing that he was no longer associated with it. In addition, the firm and Lawrence did not take reasonable steps to ensure that the individual did not have access to the books and records or systems of the firm. The findings also stated that the firm and Lawrence failed to establish, maintain and enforce a supervisory system reasonably designed to ensure that unregistered and/or statutorily disqualified individuals were not acting in a capacity that required registration or that individuals no longer associated with the firm did not have access to its systems. There were numerous red flags that the individual was acting in a manner that would require him to be registered with the firm, including, but not limited to, numerous email exchanges between the individual and firm associated persons and vendors regarding the firm’s securities business and operations, many of which were copied to Lawrence, and communications directly between the individual and Lawrence regarding personnel and financial reporting decisions on behalf of the firm. The findings also included that Lawrence failed to timely provide documents and information to FINRA in response to its requests.

The suspension is in effect from October 7, 2019, through April 6, 2020. ([FINRA Case #2016050957901](#))

## Reported for October 2019

FINRA has taken disciplinary actions against the following firms and individuals for violations of FINRA rules; federal securities laws, rules and regulations; and the rules of the Municipal Securities Rulemaking Board (MSRB).

## Firms Fined

### **Dawson James Securities, Inc. ([CRD #130645](#), Boca Raton, Florida)**

August 1, 2019 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured and fined \$20,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that its registered representatives called telephone numbers that appeared on the national do-not-call list. The findings stated that the firm required its representatives to use a network that blocked calls to telephone numbers that appeared on the national do-not-call list and the firm's do-not-call list. Nevertheless, representatives in the firm's New York branch office bypassed the network when they called telephone numbers that appeared on the national do-not-call list for which no exceptions applied. ([FINRA Case #2018056290001](#))

### **Dinosaur Financial Group, L.L.C ([CRD #104446](#), New York, New York)**

August 1, 2019 – An AWC was issued in which the firm was censured, fined \$200,000 and required to review and revise its systems and procedures (written and otherwise) regarding the supervision of its Trade Reporting and Compliance Engine (TRACE<sup>®</sup>) and Municipal Securities Rulemaking Board (MSRB) trade reporting to ensure that its systems and procedures are reasonably designed to achieve compliance with all 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 failed to report, timely report and/or correctly report TRACE-eligible securities transactions. The findings stated that the firm failed to timely report municipal securities transactions to the MSRB Real-Time Transaction Reporting System (RTRS). The findings also stated that the firm failed to establish, maintain and enforce a reasonably designed supervisory system, including enforcing its Written Supervisory Procedures (WSPs), to ensure accurate reporting of TRACE-eligible and municipal securities transactions that complied with trade reporting rules. The findings also included that the firm failed to accurately record transaction times for TRACE transactions on its order memoranda. FINRA<sup>®</sup> found that the firm provided inaccurate Quality of Market Report Card (QMRC) reports that purported to evidence the firm's supervisory review of its TRACE transaction reporting. The firm produced monthly QMRC reports to FINRA that a senior firm employee initialed and dated to reflect the time of his purported trading review. In fact, the firm employee backdated the reports because the purported trade review did not occur in a timely fashion, as required by the firm's WSPs. The firm also altered information on monthly MSRB reports it produced to FINRA, either backdating the dates that the reports were purportedly reviewed, or whitening out the dates reflecting when the reports were generated in order to hide the fact that the trade reviews were not done on a timely basis, as required by the firm's WSPs. ([FINRA Case #2017054867601](#))

**Seven Points Capital, LLC ([CRD #144211](#), New York, New York)**

August 12, 2019 – An AWC was issued in which the firm was censured and fined \$20,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it permitted proprietary traders to engage in equity trading when these associated persons were not properly qualified and did not maintain the appropriate registrations with FINRA. The findings stated that some of the associated persons engaged in trading when they had not passed the Series 7 examination and registered as a General Securities Representative. Other associated persons were registered as General Securities Representatives, but did not timely complete the Series 55 examination and register as an Equity Trader, or, as applicable, complete the Series 57 examination and register as a Securities Trader. The findings also stated that the firm failed to enforce its written procedures, which required it to register any person who was to engage in the securities business of the firm. ([FINRA Case #2015043490102](#))

**Lime Brokerage LLC ([CRD #104369](#), New York, New York)**

August 15, 2019 – An AWC was issued in which the firm was censured, fined \$625,000, of which \$38,500 is payable to FINRA and the remaining will be paid to other various self-regulatory organizations, and is required to provide a written report to FINRA concerning reasonable controls, procedures and other measures taken by it to remediate the violative conduct regarding its supervision of direct market access customer activity with respect to potential manipulative trading by its customers. 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 WSPs reasonably designed to achieve compliance with securities laws and rules in connection with its direct market access customers' trading activity through the firm. The findings stated that the firm's supervisory system and WSPs did not provide guidance as to how the firm should review alerts of potentially manipulative trading and how it should supervise the disposition of any such alerts. The firm tasked a single analyst with conducting a manual review of its surveillance alerts, but failed to reasonably supervise the analyst's review and disposition of those alerts. Trading activity by certain of the firm's direct market access customers triggered thousands of alerts at the firm that raised red flags for potentially manipulative trading, including a variety of practices, such as layering, spoofing, ramping and marking. The firm failed to reasonably respond to those red flags of potentially manipulative trading by its direct market access customers. These red flags included thousands of surveillance system alerts that were generated by a foreign investment fund and a domestic investment fund. ([FINRA Case #2013037572601](#))

**Summit Brokerage Services, Inc. ([CRD #34643](#), Boca Raton, Florida)**

August 15, 2019 – An AWC was issued in which the firm was censured and fined \$40,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to enforce its WSPs for review of its registered representatives' incoming and outgoing hard copy (non-electronic) correspondence relating

to their securities business. The findings stated that no one at the firm's home office reviewed the quarterly submissions of scanned correspondence from its branch offices because the firm failed to assign a principal to review hard-copy correspondence. The firm was unaware of this failure until FINRA requested copies of correspondence as part of a routine examination. ([FINRA Case #2018060477501](#))

**Van Clemens & Co. Incorporated ([CRD #6914](#), Minneapolis, Minnesota)**

August 19, 2019 – An AWC was issued in which the firm was censured, fined \$50,000 and ordered to certify to FINRA that it has established and implemented policies, procedures and internal controls reasonably designed to address and remediate the issues identified in the AWC. A lower fine was imposed after considering, among other things, the firm's revenue and financial resources. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system, and to establish, maintain and enforce WSPs, reasonably designed to ensure that it reviewed transactions in customer accounts for potentially unsuitable excessive trading in order to achieve compliance with FINRA's suitability rule. The findings stated that due to its failure to establish and maintain a reasonable supervisory system and WSPs, the firm allowed quantitatively unsuitable activity to occur at the firm. A registered representative of the firm recommended transactions to a firm customer that resulted in the customer's account having activity occur that was excessive, given the customer's investment objectives and financial situation, and coincided with losses in the account of more than \$100,000, which was roughly half the account's value. The firm has entered into a settlement agreement with the affected customer's estate concerning losses in the account during the period at issue. ([FINRA Case #2017053162101](#))

**Windsor Street Capital, LP fka Meyers Associates, L.P. ([CRD #34171](#), New York, New York)**

August 23, 2019 – A Securities and Exchange Commission (SEC) decision became final in which the firm was fined \$500,000. The SEC affirmed the findings and modified the sanctions following an appeal of a National Adjudicatory Council (NAC) decision. The SEC set aside the requirement ordered by the NAC that the firm hire an independent consultant because it has ceased its broker-dealer business. The sanction was based on findings that the firm failed to adequately supervise its Chicago office and failed to establish and implement adequate AML policies and procedures. The findings stated that the firm failed to adequately supervise a former registered representative who engaged in market manipulation and defrauded customers in violation of Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 thereunder and FINRA Rule 2020. The findings also stated that the firm is subject to a statutory disqualification under FINRA's By-Laws and Exchange Act Sections 3(a)(39)(F) and 15(b)(4)(E), because it failed reasonably to supervise the former representative with a view to preventing his violations of the Exchange Act. ([FINRA Case #2013035533701](#))

## Individuals Barred

### **Beth Ann Hamilton ([CRD #3092302](#), Port Matilda, Pennsylvania)**

August 1, 2019 – An AWC was issued in which Hamilton was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Hamilton consented to the sanction and to the entry of findings that she refused to appear for on-the-record testimony requested by FINRA in connection with an investigation into her being reimbursed by her member firm for unauthorized, personal expenses based on her submission of false expense reports. ([FINRA Case #2016052176301](#))

### **Orlando Vargas ([CRD #5703625](#), Rochester, New York)**

August 1, 2019 – An AWC was issued in which Vargas was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Vargas consented to the sanction and to the entry of findings that he converted funds by falsely representing to his member firm that he had purchased computer equipment and obtaining \$2,000 in reimbursement to which he was not entitled. The findings stated that Vargas sought reimbursement under a firm sponsored program by which it reimbursed its employees for personal computer equipment purchases, by submitting to the firm order information for computer equipment that he had not actually purchased. In fact, Vargas had canceled the orders before completing the purchase of the computer equipment. The findings also stated that Vargas provided false information in written responses to FINRA regarding his use of the firm's computer reimbursement program. ([FINRA Case #2018057528501](#))

### **David John Volpe ([CRD #2543478](#), Gilbert, Arizona)**

August 2, 2019 – An AWC was issued in which Volpe was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Volpe 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 into whether he engaged in a private securities transaction or borrowed funds from a customer. ([FINRA Case #2019062404601](#))

### **Karen Paek ([CRD #5985441](#), Los Angeles, California)**

August 5, 2019 – An AWC was issued in which Paek was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Paek consented to the sanction and to the entry of findings that she created, signed and submitted fictitious variable annuity applications, along with fictitious supporting documents, to meet her minimum production requirements at her member firm. The findings stated that the variable annuity applications were made in the names of former customers at her prior employing firm, insurance customers of her firm and a prospective customer at her firm. Paek forged the individuals' electronic signatures on all of the applications. None of the individuals were aware of or authorized the applications and the annuities were never

funded. For some of the variable annuity applications, Paek created fictitious third-party brokerage statements, which she submitted to the firm to give the false impression the variable annuities would be funded from third-party accounts. The firm discovered Paek's falsifications and forgeries during a review of unfunded variable annuity applications. Paek received approximately \$23,000 in advance commissions for the fictitious variable annuity applications, all of which the firm recovered. The findings also stated that Paek caused the firm's books and records to be inaccurate by submitting fictitious variable annuity applications and accompanying third-party brokerage statements. ([FINRA Case #2018057657501](#))

**Eldridge Foster Parks ([CRD #1041447](#), Chesaning, Michigan)**

August 5, 2019 – An AWC was issued in which Parks was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Parks consented to the sanction and to the entry of findings that he failed to appear for on-the-record testimony requested by FINRA after a customer of his member firm alleged that he made unsuitable securities recommendations. ([FINRA Case #2016050134502](#))

**Lisa Acca ([CRD #4661358](#), Staten Island, New York)**

August 8, 2019 – An AWC was issued in which Acca was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Acca consented to the sanction and to the entry of findings that she failed to produce certain documents and information and failed to appear and provide on-the-record testimony requested by FINRA in connection with its investigation into allegations that she, among other things, recommended private securities transactions to a customer of her member firm. ([FINRA Case #2018060634302](#))

**Bryan Joseph Clark ([CRD #2987321](#), Pismo Beach, California)**

August 12, 2019 – An AWC was issued in which Clark was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Clark consented to the sanction and to the entry of findings that he refused to appear and provide on-the-record testimony during the course of FINRA's investigation into whether he willfully failed to disclose a bankruptcy, failed to disclose outside business activities and participated in private securities transactions. ([FINRA Case #2018059547901](#))

**Brenda Marie Kochel ([CRD #5212755](#), Bethlehem, Pennsylvania)**

August 14, 2019 – An AWC was issued in which Kochel was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Kochel consented to the sanction and to the entry of findings that she converted funds from her member firm by requesting and obtaining \$23,847.24 in reimbursement from it for travel expenses she did not incur. The findings stated that Kochel's supervisor provided her with his log-in credentials to the firm's expense reimbursement system so that she could approve the expense reimbursement requests of his team members. Without her supervisor's knowledge, Kochel used his log-in credentials to approve the reimbursement of her fictitious expenses. ([FINRA Case #2018059546401](#))

**Gregory Thomas Dean ([CRD #4922996](#), Seaford, New York)**

August 16, 2019 – An AWC was issued in which Dean was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Dean consented to the sanction and to the entry of findings that he willfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 and violated FINRA Rule 2020 by churning and engaging in quantitatively unsuitable trading in the accounts of customers. The findings stated that Dean made all trading decisions in the customers' accounts, including which specific securities to buy and sell, when to buy and sell the securities and the quantity of securities to buy and sell. Dean recommended the trading in the customers' accounts and each of the customers followed Dean's recommendations. Dean therefore exercised de facto control over these accounts. Dean's trading in the customer accounts was excessive and conducted with reckless disregard for the customers' interests. Dean employed an investment strategy that entailed short-term in-and-out trades, and he used margin as a means to increase the buying power in his customers' accounts. Dean's trading in the customers' accounts resulted in more than \$1,834,832 in cumulative losses, while generating more than \$715,930 in commissions, fees and margin interest charged to the customers. The level of trading activity in these accounts, which Dean controlled, made it nearly impossible to generate trading profits for the customers. However, this strategy increased commissions for Dean. ([FINRA Case #2017052699901](#))

**Michael Eric Johnson ([CRD #2261413](#), Medford, Oregon)**

August 16, 2019 – An AWC was issued in which Johnson was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Johnson consented to the sanction and to the entry of findings that he refused to provide FINRA with requested documents and information. The findings stated that one of Johnson's former member firms had filed a Uniform Termination Notice for Securities Industry Registration (Form U5) stating that the firm terminated him because of concerns regarding circumstances of his acquisition of a prior representative's book of business. Later, another former firm submitted a Form U5 stating that it had discharged him for being listed as a beneficiary on a non-family related client account. ([FINRA Case #2019061408701](#))

**Gregg John Braccili ([CRD #5992725](#), Havertown, Pennsylvania)**

August 19, 2019 – An AWC was issued in which Braccili was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Braccili 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 surrounding his termination from his member firm. The findings stated that the firm submitted a Form U5 stating that Braccili was discharged for his falsification of a communication that appeared to be on behalf of the firm. FINRA reviewed the communication at issue and determined it was not customer or sales practice related. ([FINRA Case #2018058889101](#))

**Bryan D. Jensen ([CRD #5467555](#), South Jordan, Utah)**

August 23, 2019 – An AWC was issued in which Jensen was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Jensen consented to the sanction and to the entry of findings that he converted funds of his member firm by obtaining \$1,444 in reimbursement from the firm to which he was not entitled. The findings stated that Jensen sought the reimbursement under a firm sponsored program, which reimbursed its employees for personal computer equipment purchases, by submitting falsified receipts for computer equipment that he had not actually purchased. ([FINRA Case #2018058670501](#))

**Bobby Wayne Coburn ([CRD #1464789](#), Lake Wales, Florida)**

August 26, 2019 – An AWC was issued in which Coburn was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Coburn consented to the sanction and to the entry of findings that he refused to provide information and documents requested by FINRA in connection with a Form U5 submitted by his member firm. The findings stated that the firm submitted the Form U5 wherein it terminated his association and stated that he was involved in the solicitation of clients to invest in an unapproved private securities transaction and engaged in the settlement of a related customer complaint without its knowledge or consent. ([FINRA Case #2019062319501](#))

**Patrick Emanuel Sutherland ([CRD #3042322](#), Charlotte, North Carolina)**

August 26, 2019 – An Offer of Settlement was issued in which Sutherland was barred from association with any FINRA member in all capacities. Without admitting or denying the allegations, Sutherland consented to the sanction and to the entry of findings that while he was statutorily disqualified as a result of felony convictions, and while his FINRA registrations were terminated, he actively engaged in the management of his FINRA member firm, and engaged in activities on behalf of it which required securities registration. The findings stated that, among other things, Sutherland communicated with firm associated persons regarding securities-related matters, including sending and receiving email from his firm email address, as well as another email address, and supervised and directed firm associated persons regarding its securities business, including commissions, outside business activities and advertising. In addition, Sutherland participated in the firm's financial reporting, including the preparation of Financial and Operational Combined Uniform Single (FOCUS) reports, responding to firm auditors and directing the financial and operations principal (FINOP). Sutherland engaged in clerical and managerial functions on behalf of the firm, including arranging for branch office examinations, communicating with firm vendors and recruiting registered representatives and participated in personnel decisions on behalf of the firm, including negotiating terms of employment with the firm's co-chief compliance officer (CCO) and directing its chief executive officer (CEO) regarding compensation of the firm's staff. ([FINRA Case #2016050957901](#))

**Kari Ann Buckles ([CRD #6443019](#), Olean, New York)**

August 27, 2019 – An AWC was issued in which Buckles was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Buckles consented to the sanction and to the entry of findings that she converted the funds of an employee of her insurance agency by failing to contribute about \$2,264 in withholdings to a Savings Incentive Match-Plan for Employees individual retirement account (IRA). The findings stated that Buckles agreed to withhold money from the employee's paycheck and then contribute that money to the IRA. After initially making those contributions, Buckles intentionally ceased payments for over two years, leaving the withholdings in the agency's operating account and using them to pay other expenses, including her own personal expenses. Buckles acted intentionally when she failed to remit the employee's withholdings. After the employee discovered the non-payment, Buckles remitted the unpaid withholdings to the employee's IRA. The findings also stated that Buckles refused to appear for on-the-record testimony requested by FINRA. ([FINRA Case #2018058777101](#))

**Craig Anthony Zabala ([CRD #2740680](#), New York, New York)**

August 27, 2019 – An AWC was issued in which Zabala was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Zabala consented to the sanction and to the entry of findings that he failed to provide documents and information requested by FINRA in connection with its review of his outside business activities and his potential participation in private securities transactions. The findings stated that Zabala initially provided a partial, but incomplete, response to FINRA's request. Subsequently, Zabala's counsel notified FINRA that Zabala was not willing to produce the remaining requested documents and information. ([FINRA Case #2019061086301](#))

**Lawrence James Rizer ([CRD #1168778](#), Canfield, Ohio)**

August 28, 2019 – An AWC was issued in which Rizer was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Rizer consented to the sanction and to the entry of findings that he converted \$1,979 from the National Association of Insurance and Financial Advisors (NAIFA), a non-profit group for which he was serving as president of a local chapter. The findings stated that Rizer made unauthorized, personal charges on a debit card issued to him and made no attempt at any time to reimburse the charges. NAIFA had only authorized Rizer to use the debit card for expenses incurred while recruiting new members. ([FINRA Case #2017054157401](#))

**Gerald Lee Brodsky ([CRD #1172647](#), Greenwich, Connecticut)**

August 29, 2019 – An AWC was issued in which Brodsky was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Brodsky consented to the sanction and to the entry of findings that he provided a partial, but incomplete, response to FINRA's request for documents and information and failed to produce the remaining documents in connection with its review of his outside business activities. ([FINRA Case #2019061086302](#))

## Individuals Suspended

### **Matthew David Albers ([CRD #2917814](#), Easton, Maryland)**

August 1, 2019 – An AWC was issued in which Albers 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, Albers consented to the sanctions and to the entry of findings that he exercised discretionary trading authority on behalf of his customers without prior written authorization from the customers and without written approval from his member firm. The findings stated that although Albers' customers had authorized him to make the purchases, he placed the trades without speaking to the customers on the same day the transactions took place. The findings also stated that after some of the discretionary trades had taken place, Albers stated that he had not exercised discretionary trading authority in any of his customer's accounts on an annual compliance questionnaire submitted to the firm.

The suspension was in effect from September 3, 2019, through September 23, 2019. ([FINRA Case #2018056269001](#))

### **Lori Sullivan Antolovic ([CRD #1480968](#), Dallas, Texas)**

August 1, 2019 – An AWC was issued in which Antolovic was fined \$7,500 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Antolovic consented to the sanctions and to the entry of findings that she failed to confirm that an individual, a member of Company A's board of directors, had authority to direct the payment of a \$2 million development fee to a company he controlled (Company B) from the proceeds of an offering. The findings stated that Antolovic structured a conduit issuance of municipal securities to refinance the debt of Company A. Antolovic's member firm served as the sole underwriter for the offering. In email communications with Antolovic, the individual made several statements suggesting that perhaps he had not informed Company A of all the specific costs to be paid out of the cost of issuance. Despite indications that other officials at Company A may not have known of this material aspect of the financing, Antolovic made provision in the offering for the payment of the fee. In fact, Company A had not specifically authorized the \$2 million payment. Antolovic disclosed the fee to Company A shortly before the issuance and it later demanded that Company B return the fee. After litigation was filed, the payment was refunded pursuant to a settlement between the parties involved in the litigation.

The suspension is in effect from August 19, 2019, through November 18, 2019. ([FINRA Case #2015047175401](#))

### **Damien Berkowicz ([CRD #4306842](#), New York, New York)**

August 1, 2019 – An AWC was issued in which Berkowicz was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Berkowicz consented to the sanctions

and to the entry of findings that he willfully failed to amend his Uniform Application for Securities Industry Registration or Transfer (Form U4) to disclose that he had been charged with two felonies. The findings stated that Berkowicz submitted a false annual compliance questionnaire to his member firm. At the time Berkowicz completed the questionnaire, he was aware of the felony charges and indictment, yet he never reported these charges to the firm.

The suspension is in effect from August 5, 2019, through February 4, 2020. ([FINRA Case #2019061628401](#))

**Elizabeth Stockwell (CRD #6398497, Scarborough, Maine)**

August 1, 2019 – An AWC was issued in which Stockwell 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, Stockwell consented to the sanctions and to the entry of findings that she impersonated a customer on telephone calls to an annuity company in order to obtain more information about the customer’s annuity positions. The findings stated that although the customer gave Stockwell permission to obtain this information, she did not give Stockwell permission to impersonate her with the annuity company.

The suspension was in effect from September 3, 2019, through September 23, 2019. ([FINRA Case #2019062318301](#))

**Ken Kavanagh (CRD #4502223, Hawley, Pennsylvania)**

August 5, 2019 – An AWC was issued in which Kavanagh was assessed a deferred fine of \$25,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Kavanagh consented to the sanctions and to the entry of findings that he engaged in outside business activities without providing prior written notice to his member firm. The findings stated that Kavanagh managed the personal affairs of professional athletes, including over 40 professional athletes who were clients of both Kavanagh and the firm. Kavanagh formed two entities to facilitate his outside activities, and opened and maintained checking accounts on behalf of the entities through which he received payments for the personal services he provided. Kavanagh received substantial income from his outside activities, generating approximately \$5 million in fees from these firm clients as payment for the personal services he provided. The findings also stated that Kavanagh concealed his relationship with the entities by naming a close relative as the sole owner or member, and as the authorized representative on the entities’ bank accounts. Kavanagh also falsely attested on annual compliance questionnaires that he was not involved with any outside business activities.

The suspension is in effect from August 5, 2019, through February 4, 2021. ([FINRA Case #2018058564001](#))

**Mengxuan Zhang ([CRD #6548853](#), San Gabriel, California)**

August 5, 2019 – An AWC was issued in which Zhang was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Zhang consented to the sanctions and to the entry of findings that she falsified customer signature pages on account forms by reusing the signature pages without the customers' express permission. The findings stated that Zhang changed the dates on the forms to make it appear as if the customers had re-executed the forms. Zhang's actions were intended to expedite the processing of transactions that her customers had authorized. In addition, on one of the new forms, Zhang inadvertently entered incorrect information.

The suspension was in effect from August 5, 2019, through September 4, 2019. ([FINRA Case #2018059411401](#))

**Jollene Jill Austin ([CRD #2997663](#), Westport, Connecticut)**

August 8, 2019 – An AWC was issued in which Austin was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Austin consented to the sanctions and to the entry of findings that she borrowed a total of \$665,000 from a customer of her member firm without obtaining prior written approval to engage in the transactions from the firm. The findings stated that Austin entered into a seller-financed mortgage agreement with the customer through which she purchased the customer's house for \$635,000 and was to repay the loan in installments. Austin borrowed another \$30,000 from the same customer. The findings also stated that Austin transferred the deed and title back to the customer in full satisfaction of the two loans.

The suspension is in effect from August 19, 2019, through February 18, 2020. ([FINRA Case #2018056845801](#))

**Steve Baptist ([CRD #5885870](#), Bronx, New York)**

August 8, 2019 – An AWC was issued in which Baptist was fined \$5,000, suspended from association with any FINRA member in all capacities for 30 days and ordered to pay disgorgement in the amount of \$530, plus interest. Without admitting or denying the findings, Baptist consented to the sanctions and to the entry of findings that he engaged in unauthorized trading by placing trades in the accounts of customers who were deceased at the time of the trades. The findings stated that Baptist received \$530 in commissions as a result of the trades in one customer's account, and his unauthorized trades in another customer's account resulted in losses. Baptist's member firm repaid the second customer's estate for the losses from commissions withheld from Baptist after his termination. The findings also stated that Baptist exercised discretion in customer accounts without obtaining prior written authorization from the customers and without his firm having approved any of the accounts for discretionary trading.

The suspension was in effect from September 3, 2019, through October 2, 2019. ([FINRA Case #2018058666001](#))

**Richard James Coleman ([CRD #2720422](#), Mount Sinai, New York)**

August 8, 2019 – An AWC was issued in which Coleman was assessed a deferred fine of \$15,000, suspended from association with any FINRA member in all capacities for two years and ordered to pay \$139,930, plus interest, in deferred restitution to customers. Without admitting or denying the findings, Coleman consented to the sanctions and to the entry of findings that he excessively traded and engaged in quantitatively unsuitable trading in the accounts of the customers. The findings stated that Coleman recommended the trading in the accounts and the customers followed his recommendations. As a result, Coleman exercised de facto control over the accounts. Coleman’s trading was excessive and unsuitable given the customers’ investment profiles. As a result of Coleman’s trading, the customers suffered collective losses of \$225,745 and paid \$139,930 in commissions and fees. The findings also stated that Coleman caused his member firm’s books and records to be inaccurate by routinely mismarking sale orders for customers as unsolicited when, in fact, he solicited the sales.

The suspension is in effect from August 19, 2019, through August 18, 2021. ([FINRA Case #2017052699301](#))

**Thomas Raymond Williams Sr. ([CRD #3176294](#), Cincinnati, Ohio)**

August 9, 2019 – An AWC was issued in which Williams was fined \$10,000 and suspended from association with any FINRA member in all capacities for 10 business days. Without admitting or denying the findings, Williams consented to the sanctions and to the entry of findings that he omitted material information from an email communication to a customer regarding the status of funds held in escrow in connection with the customer’s investment in a private placement of notes for which Williams’ member firm had been the placement agent. The findings stated that Williams told the representative of the customer that the investment had been in a film production escrow account since the beginning of the investment because the film production company had not completed its financing or obtained the completion bond. Williams further stated that a tax credit lender was working with the film production company to obtain the funds from the escrow agent in order to pay the remaining principal of the notes as soon as possible. Though Williams had obtained information from a bank teller that the escrow account had been closed at the financial institution, he omitted that information from the email to the representative of the customer. Williams caused his email communication with the customer to be misleading by failing to disclose all of the information regarding the escrow.

The suspension was in effect from September 17, 2019, through September 30, 2019. ([FINRA Case #2016048071901](#))

**Stephen Allen Kelbick ([CRD #1429133](#), Penllyn, Pennsylvania)**

August 13, 2019 – An AWC was issued in which Kelbick was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Kelbick consented to the sanctions and to the entry of findings that he exercised discretionary trading authority and effected trades in the account of a customer at his member firm without having obtained prior written authorization from the customer or approval from the firm to treat the account as discretionary.

The suspension was in effect from August 19, 2019, through September 9, 2019. ([FINRA Case #2017055504801](#))

**Leonard John Kuczynski ([CRD #863341](#), Independence, Ohio)**

August 13, 2019 – An AWC was issued in which Kuczynski 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, Kuczynski consented to the sanctions and to the entry of findings that he engaged in outside business activities for compensation without providing prior written notice to his member firm. The findings stated that Kuczynski's outside business activities were outside the scope of the relationship with his firm. Moreover, two of the outside business activities were contrary to certifications on Kuczynski's annual compliance questionnaires that he was not engaged in such activity.

The suspension is in effect from August 19, 2019, through December 18, 2019. ([FINRA Case #2018059177601](#))

**Roger Lee Owens ([CRD #2359204](#), Elkton, Maryland)**

August 14, 2019 – An AWC was issued in which Owens was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in all capacities for 12 months and ordered to pay deferred disgorgement of commissions received in the amount of \$59,471, plus interest. Without admitting or denying the findings, Owens consented to the sanctions and to the entry of findings that he engaged in private securities transactions without providing notice to, or obtaining approval from, his member firm. The findings stated that Owens solicited investors to purchase promissory notes relating to a purported real-estate investment fund. Owens sold \$1,170,000 in the notes to investors, four of whom were firm customers, and received \$59,471 in commissions in connection with these transactions. In addition, Owens personally invested \$75,000 in the notes. Later, the fund filed a voluntary Chapter 11 bankruptcy petition. The United States District Court for the Southern District of Florida issued final judgments against, among others, the fund and its former owner. Those judgments required the fund and its former owner to, among other things, disgorge their ill-gotten gains and also required the former owner to pay a civil penalty. The findings also stated that Owens falsely attested in compliance questionnaires that he had not engaged in any private securities transactions without receiving prior written approval from his firm.

The suspension is in effect from August 19, 2019, through August 18, 2020. ([FINRA Case #2018058354501](#))

**Allen Bernard Holeman ([CRD #1060910](#), Marlboro, New Jersey)**

August 16, 2019 – Holeman appealed an SEC decision to the United States Court of Appeals for the Federal Circuit. Holeman was fined \$20,000 and suspended from association with any FINRA member in all capacities for four months. The SEC sustained the findings and sanctions imposed by the NAC. On August 26, 2019, the SEC issued a partial stay order staying Holeman’s fine and suspension pending consideration of his appeal by the Court of Appeals and denying his motion to stay the finding that he is subject to a statutory disqualification under Section 3(a)(39)(F) of the Securities Exchange Act of 1934. The sanctions were based on findings that Holeman willfully failed to timely amend his Form U4 to report three federal tax liens totaling over \$116,000. The findings stated that Holeman completed and submitted to his member firm an annual compliance certification in which he falsely stated he had no unsatisfied liens against him. Holeman falsely stated that he had no tax liens even though he had two outstanding tax liens at the time and FINRA had contacted him about the tax liens two months earlier. Holeman disclosed the liens on his Form U4 only after FINRA began investigating the liens, and even then, he waited six months to make the disclosures. FINRA also found that Holeman was subject to statutory disqualification because it found that he acted willfully and that the information that he failed to disclose was material. ([FINRA Case #2014043001601](#))

**Michael Patrick Nixon ([CRD #2169631](#), Indian Shores, Florida)**

August 16, 2019 – An AWC was issued in which Nixon 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, Nixon consented to the sanctions and to the entry of findings that although his customers had authorized him to make purchases, he exercised discretionary trading authority on their behalf without their prior written authorization and without written approval from his member firm. The finding stated that after some of the discretionary trades had taken place, Nixon stated on an annual compliance questionnaire submitted to the firm that he had not exercised discretionary trading authority in any of his customer’s accounts.

The suspension was in effect from September 24, 2019, through October 14, 2019. ([FINRA Case #2018056269002](#))

**David Adam Rookasin ([CRD #5760016](#), Monroe, Connecticut)**

August 16, 2019 – An AWC was issued in which Rookasin was fined \$10,000, suspended from association with any FINRA member in all capacities for four months and ordered to pay disgorgement of compensation received in the amount of \$50,318.86, plus interest. Without admitting or denying the findings, Rookasin consented to the sanctions and to the entry of findings that he assisted with a customer’s variable annuity exchange away

from his member firm and received compensation in connection with this exchange from a registered representative of another member firm with whom Rookasin had no prior relationship. The findings stated that Rookasin recommended that his client exchange a \$1.3 million fixed annuity for a combination of three variable annuities, but his firm rejected the proposed transaction pursuant to an internal policy. Thereafter, Rookasin aided the other representative in the execution of this exchange for the customer after she opened an account at that representative's firm. The representative recommended and the customer exchanged her fixed annuity to purchase two different variable annuities in the account she had opened. Rookasin remained involved with the transactions, including by being the point of contact between the customer and the representative. Rookasin accepted compensation from the representative in the amount of \$50,318.86, which represented approximately half of the total commissions earned in connection with the transactions. Rookasin did not notify his firm of this arrangement.

The suspension is in effect from September 16, 2019, through January 15, 2020. ([FINRA Case #2017055074302](#))

**Justin Brian Mitchell (CRD #5177794, Baton Rouge, Louisiana)**

August 19, 2019 – An AWC was issued in which Mitchell was fined \$2,500 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Mitchell consented to the sanctions and to the entry of findings that he engaged in an outside business activity involving the sale of nutritional supplements without providing prior written notice to his member firm. The findings stated that Mitchell participated in organizing and forming a company, owned a percentage interest in it, executed its operating agreement, participated in board meetings and made management decisions for it. The findings also stated that Mitchell made false statements to his firm on annual compliance questionnaires concerning his outside business activities.

The suspension was in effect from September 3, 2019, through October 2, 2019. ([FINRA Case #2017054549301](#))

**Scott Richard Riley (CRD #5178446, Hooksett, New Hampshire)**

August 19, 2019 – An AWC was issued in which Riley was suspended from association with any FINRA member in all capacities for three months. In light of Riley's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Riley consented to the sanction and to the entry of findings that he made unauthorized trades in a customer's account by selling mutual fund positions in the customer's account and using the proceeds to purchase another mutual fund position without obtaining the customer's prior authorization. The findings stated that after determining that these trades were unauthorized, Riley's member firm reversed the transactions. The findings also stated that Riley exercised discretion in customer accounts by investing his customers' cash balances in

mutual funds that they already held in their names. Riley had not obtained the customers' prior written authorization to do so and his firm, which did not permit its representatives to exercise discretion in customer accounts, had not approved the accounts for discretionary trading. During an internal review by the firm, Riley initially denied placing any trades that violated the firm's policy regarding use of discretion before eventually admitting the violations.

The suspension is in effect from September 3, 2019, through December 2, 2019. ([FINRA Case #2017055611501](#))

**John Hunter Tillotson (CRD #1320717, Saint Paul, Minnesota)**

August 19, 2019 – An AWC was issued in which Tillotson 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, Tillotson consented to the sanctions and to the entry of findings that he impersonated customers during telephone conversations with a mutual fund company for the purpose of facilitating the prospective transfer of the customers' retirement accounts to his member firm. The findings stated that Tillotson received permission from the customers to directly contact the mutual fund company in the event additional information was necessary to complete the transfers. However, the customers did not give Tillotson permission to impersonate them with the mutual fund company.

The suspension was in effect from September 16, 2019, through October 4, 2019. ([FINRA Case #2019062100401](#))

**Arlyn Roy Stokesbary (CRD #1717430, Slayton, Minnesota)**

August 23, 2019 – An AWC was issued in which Stokesbary was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Stokesbary consented to the sanctions and to the entry of findings that he exercised discretion in customer accounts without written authorization from the customers and without acceptance of the accounts as discretionary by his member firm.

The suspension was in effect from September 3, 2019, through September 23, 2019. ([FINRA Case #2018059898701](#))

**Micah Oliver Handell (CRD #5889420, Santa Fe, New Mexico)**

August 26, 2019 – An AWC was issued in which Handell was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Handell consented to the sanctions and to the entry of findings that he impersonated a prospective customer on telephone calls with another FINRA member firm in order to obtain information about the prospective customer's retirement accounts at the other firm. The findings stated that a prospective customer of Handell wished to transfer retirement plans from the other firm

to Handell's firm. The paperwork to effect the transfers required the identification of all authorized signors on each of the retirement plans. Handell and the customer together telephoned the other firm to learn those names, but the representative of the other firm could only identify the names of the authorized signors on one of the accounts. Later, Handell telephoned the other firm by himself to see if he could obtain the names of the authorized signors on the remaining accounts. Handell impersonated the customer on that telephone call. Moreover, because the representative of the other firm still did not have the additional names during the second call, when the representative called Handell back, Handell again impersonated the customer.

The suspension was in effect from September 3, 2019, through September 23, 2019. ([FINRA Case #2018057757201](#))

**Carlton Jerome Dick (CRD #5639545, Saint Louis, Missouri)**

August 28, 2019 – An AWC was issued in which Dick was fined \$5,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Dick consented to the sanctions and to the entry of findings that during telephone calls to his former member firm's call center, he impersonated an associated person of that firm in order to obtain account information about customers without the customers or their representatives' permission to make these telephone calls. The findings stated that through these telephone calls, Dick obtained copies of the customers' quarterly account statements with the firm, as well as their current firm account values. Dick then used this information in meetings with the customers for the purpose of soliciting their business. By these impersonations, Dick improperly obtained nonpublic personal customer information from his former firm and as a result, he caused it to violate the SEC's Regulation S-P: Privacy of Consumer Financial Information and Safeguarding Personal Information.

The suspension is in effect from September 16, 2019, through October 30, 2019. ([FINRA Case #2017056381601](#))

**Richard Oliver White (CRD #3147238, Charlotte, North Carolina)**

August 28, 2019 – A NAC decision became final in which White was fined \$10,000, suspended from association with any FINRA member in all capacities for two years and ordered to requalify through the examination process before acting in any capacity that requires registration. The NAC affirmed the findings and modified the sanction imposed by the Office of Hearing Officers (OHO), wherein White was barred from association with any FINRA member in all capacities. The sanctions were based on findings that on his return home from two gambling trips, White structured currency deposits with knowledge of and intent to evade federal currency reporting requirements in the Bank Secrecy Act. The findings stated that in each case when he came back from a trip with winnings, White made multiple deposits below \$10,000 over the course of several days or several weeks,

rather than depositing the cash in a single transaction. Several times, White broke the wrapper on a pack of \$10,000 that he had received from a casino, pulled out a one hundred dollar bill or two, and deposited the remaining amount. White had extensive training every year on what constitutes unlawful structuring of cash transactions, and he knew from that training that financial institutions are legally required to file currency transaction reports for cash transactions in excess of \$10,000. The findings also stated that White dissembled and attempted to mislead his member firm and FINRA investigators.

The suspension is in effect from September 16, 2019, through September 16, 2021. ([FINRA Case #2015045254501](#))

**Vitthal Mathurbmas Patel ([CRD #1775477](#), Edison, New Jersey)**

August 29, 2019 – An AWC was issued in which Patel was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Patel consented to the sanctions and to the entry of findings that he forged electronic signatures of customers on new managed account documents by forging the customer's name electronically on the forms and electronically signing applications in place of the customer. The findings stated that one customer did not consent to the change. In addition, Patel forged handwritten signatures of customers on other account-related documents, including a change of address form, a 529-college savings plan transfer form and beneficiary change forms by cutting and pasting photocopied customer signatures. Patel's member firm required him to obtain original customer signatures in order to confirm that the customer provided written permission and authority for the change. Patel submitted the forged documents to the firm for processing as if he had obtained the actual signatures from the customers.

The suspension is in effect from September 3, 2019, through March 2, 2020. ([FINRA Case #2018059723101](#))

**Jedediah Elvin Dahl ([CRD #5517556](#), Knoxville, Tennessee)**

August 30, 2019 – An AWC was issued in which Dahl 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, Dahl consented to the sanctions and to the entry of findings that he distributed sales materials that failed to comply with FINRA's content standards for member communications with the public. The findings stated that Dahl created and issued two letters to a prospective customer, the owner of a start-up company, for his use to solicit potential investors. The letters were printed on the company letterhead of Dahl's member firm and contained misleading statements regarding his firm's relationship with the start-up company and the risks associated with an investment in it. One of the letters also contained information that could be construed by potential investors as guaranteeing their investment or the return on their investment. The findings also stated that Dahl did not submit the letters to his firm for review and approval, as

required by its WSPs. Dahl's failure to submit the letters to the firm for review prevented it from fulfilling its supervisory obligations and preserving his correspondence in accordance with applicable recordkeeping requirements.

The suspension is in effect from September 3, 2019, through January 2, 2020. ([FINRA Case #2017055477301](#))

## Decisions Issued

The OHO issued the following decisions, which has been appealed to or called for review by the NAC as of August 31, 2019. The NAC may increase, decrease, modify or reverse the findings and sanctions imposed in the decision. Initial decisions where the time for appeal has not yet expired will be reported in future *FINRA Disciplinary & Other Actions*.

### **Thomas Lee Johnson (CRD #1215434, Carmel, Indiana)**

August 28, 2019 – Johnson appealed an OHO decision to the NAC. Johnson was barred from association with any FINRA member in all capacities. The sanction was based on the findings that Johnson converted \$1,059,544.98 from his member firm after the firm incorrectly priced sales of his holdings in a South Korean company whose securities trade on the Korean stock exchange. The findings stated that the firm incorrectly priced the sales in U.S. dollars instead of South Korean won. Because of a system error, Johnson received \$1,059,544.98 in his firm securities account from the sales, but he was entitled to less than \$1,000. After the firm's error, Johnson moved the money to a personal bank account. Johnson later returned the funds to his firm account when he saw that the firm had corrected its error and reversed the credit, causing the account to have a negative balance. The findings also stated that FINRA failed to present sufficient evidence to conclude that Johnson provided false or misleading information during its investigation. The OHO therefore dismisses this allegation.

The sanction is not in effect pending review. ([FINRA Case #2018056848101](#))

### **James Adam Paquette (CRD #2164109, Sullivans Island, South Carolina)**

August 28, 2019 – Paquette appealed an OHO decision to the NAC. Paquette was barred from association with any FINRA member in all capacities. The sanction was based on findings that Paquette willfully failed to timely update his Form U4 to disclose a felony charge. The findings stated that Paquette's member firm learned of the felony charge when an insurance company informed the firm that it had refused to renew Paquette's appointment as an insurance agent because of the charge. When the firm found out about the charge, Paquette admitted to the firm that he was facing a criminal charge, but did not give further details, such as the fact that the charge was a felony. Paquette's failure to amend his Form U4 continued for more than a year and, most likely, would have continued indefinitely if the insurance company had not informed the firm of the charge.

The sanction is not in effect pending review. ([FINRA Case #2017054889201](#))

**Partho Sarathi Ghosh ([CRD #1983427](#), Princeton, New Jersey)**

August 29, 2019 – Ghosh appealed an OHO decision to the NAC. Ghosh was fined \$25,000, suspended from association with any FINRA member in all capacities for six months and required to requalify by examination before reentering the securities industry in any registered capacity. The sanctions were based on the findings that Ghosh engaged in outside business activities without providing prior written notice to his member firm. The findings stated that during the hiring process with the firm and its affiliated insurance company, the firm instructed Ghosh to dissolve a company that he formed as a condition of joining it and its affiliate. Although Ghosh dissolved the company at the direction of the firm, a few months later he started and began conducting business activities under an identically purposed company. Ghosh was its sole owner and director. Several months after forming the new company, and just before he became registered with the firm, a firm manager discovered the company's existence and directed Ghosh to file an outside business activity disclosure/request form. The firm required registered representatives to disclose and seek approval of outside business activities by submitting the form. This time, however, Ghosh did not immediately comply. Instead, after registering with the firm, Ghosh resisted filing the request while trying, without success, to convince firm management that the company was not an outside business activity. Meanwhile, Ghosh provided financial advice and sold the firm affiliate's insurance products through the company. When Ghosh finally submitted the outside business activity request several months later, the firm denied it, but he continued conducting business through the company. Then within a few weeks, Ghosh resigned when the firm told him that his business model was not compatible with the firm and its affiliate's business.

The sanctions are not in effect pending the review. ([FINRA Case #2016051615301](#))

**William James Potter ([CRD #1281826](#), Glen Ridge, New Jersey)**

August 29, 2019 – Potter appealed an OHO decision to the NAC. Potter was barred from association with any FINRA member in all capacities and ordered to pay \$250,000, plus interest, in restitution to an individual. The sanctions were based on findings that Potter converted \$25,177.47, a portion of the funds entrusted to him and his holding company as a third party to a business agreement between two other parties. The findings stated that Potter converted the funds by making automated teller machine (ATM) withdrawals, writing a certified check for \$10,000 to a consultant for the holding company and writing a \$15,000 check for business purposes. Potter had no intention of returning the funds he spent for his own purposes. The findings also stated that Potter acted unethically, contrary to just and equitable principles of trade, including misuse of the entity's funds. Potter misused all the funds by spending without authorization and transferring when he was supposed to hold the entire deposit. Potter never attempted to understand his holding company's obligations under the consulting agreement, and as a result misused the funds in reckless disregard of such obligations. Potter's failure to disclose to the entity that he retained part of the deposit, and his refusal to disclose where he wired \$1.75 million of the \$2 million entrusted to him, hindered the entity's attempts at recovering its funds.

The sanctions are not in effect pending the review. ([FINRA Case #2017052871401](#))

## 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.

### **Ricky Alan Mantei ([CRD #1098981](#), Columbia, South Carolina)**

August 1, 2019 – Mantei was named a respondent in a FINRA complaint alleging that he willfully violated MSRB Rule G-17 by circumventing his member firm's supervisory system while he was seeking to effect a trade between firm customers. The complaint alleges that to comply with the firm's WSPs, Mantei would have been required to identify each of these transactions as a cross-trade on the firm's order tickets and to affirmatively justify its fairness in writing. Mantei instead effected each trade in a manner that avoided these requirements. Specifically, Mantei arranged for an external third party to buy the selling firm customer's investment with the understanding that Mantei would have the firm repurchase it a short time later. After Mantei caused the firm to repurchase the investment, he then finally sold it to the buying customer. In effecting these transactions, Mantei failed to comply with the firm's supervisory procedures even though, in substance, each set of transactions amounted to a cross-trade between firm customers. ([FINRA Case #2015045257501](#))

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

August 12, 2019 – Chandhoke and Shea were named respondents in a FINRA complaint alleging that together they formed two 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 outside business activities to their member firms. The complaint alleges that Chandhoke and Shea participated in the non-securities business activities in several ways, including creating and distributing offering materials, soliciting investors, opening and maintaining a bank account on behalf of one entity and making a down payment for a piece of real property. Additionally, the complaint alleges that Chandhoke engaged in two additional non-securities business activities without providing prior written notice to his firms. The complaint also alleges that contrary to their firms' WSPs, Chandhoke and Shea failed to disclose outside accounts opened at another FINRA member firm. Chandhoke and Shea had a financial interest in each account because they opened and held the accounts in the names of entities that they owned and controlled. The complaint further alleges that Chandhoke and Shea participated in private securities transactions totaling \$9,902,425 without providing written notice of those transactions to their firms prior to their participation. In addition, the complaint alleges that Chandhoke structured 37

cash deposits made into four separate bank accounts that he controlled in order to evade federal reporting requirements. The deposits, totaling \$72,950, were made at ATMs in the Los Angeles and San Francisco Bay areas and 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. Moreover, the complaint alleges that Chandhoke opened a priority line of credit at a firm in the name of his entity, and in the process made false statements. When completing and signing documentation necessary to open the account, Chandhoke falsely attested that no part of the priority line of credit would be “used to purchase, carry, or trade in securities.” Chandhoke’s subsequent actions show that at the time he opened the priority line of credit, he intended to use the proceeds from the priority line of credit to allow him to purchase securities in another account. Further, Chandhoke did in fact use the proceeds from the priority line of credit in that manner. Chandhoke also falsely stated that the purpose of the account was to finance business operations or assets. ([FINRA Case #2015047244701](#))

**Daniel Gordon Maughan ([CRD #2561363](#), Los Angeles, California)**

August 14, 2019 – Maughan was named a respondent in a FINRA complaint alleging that he churned and excessively traded a customer’s trust account at his member firm. The complaint alleges that by churning the customer’s trust account, Maughan willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and also violated FINRA Rules 2020 and 2010. The complaint also alleges that Maughan had no reasonable basis to believe that the number of recommended transactions and the level of activity in the account were suitable for the customers, in light of their investment objectives and financial situation. Accordingly, Maughan violated NASD Rule 2310 and FINRA Rules 2111 and 2010. Finally, the complaint alleges that Maughan recommended qualitatively unsuitable trades in the trust account involving options, non-traditional Exchange-Traded Funds and an Exchange-Traded Note, in violation of NASD Rule 2310 and FINRA Rules 2111, 2360(b)(19)(A) and (B) and 2010. Maughan exercised de facto control over the trust account and made all investment decisions in it, including what securities to buy and sell, the quantities of the securities to buy and sell and when each transaction would occur. Maughan executed approximately 1,648 trades in the trust account with a principal value of all purchases and sales in excess of \$70 million. Maughan’s churning and excessive and unsuitable trading generated commissions and costs totaling approximately \$841,000 while causing the account to incur realized and unrealized losses of approximately \$812,000. ([FINRA Case #2017054755206](#))

**Jesse Gil III ([CRD #5188650](#), Corpus Christi, Texas)**

August 26, 2019 – Gil was named a respondent in a FINRA complaint alleging that he converted approximately \$2,500 from an 82-year-old widow and former bank customer to whom he was providing financial advice away from his member firm. The complaint alleges that Gil intentionally incurred charges of the more than \$2,500 on the customer’s credit cards without her authorization and in order to obtain goods and services for his own

personal benefit. In addition, Gil intentionally used money from the customer's savings account to make a payment of approximately \$738 to pay for some of those credit card expenses. Without talking to the customer, Gil paid \$740 into one of her bank accounts and paid the remaining balance of the credit card charges after his ability to use the cards had been cancelled. The complaint also alleges that Gil violated the firm's policies and procedures when he obtained a power of attorney for the customer without disclosure to or approval from the firm. In addition, by incurring credit card charges for his personal benefit on her credit cards, Gil abused his position of trust and confidence with the customer, a vulnerable, elderly widow, who was relying on his advice. The complaint further alleges that Gil did not provide prior written notice to his firms of his outside business activity prior to providing the customer with financial advice, or prior to accepting \$850 as payment for that assistance. Gil provided the financial advice to the customer with the reasonable expectation of compensation. In addition, the complaint alleges that Gil provided a false response on an annual compliance certification form, and provided false responses on an audit form and an annual compliance questionnaire. Moreover, the complaint alleges that Gil failed to provide a full and complete response to a request by FINRA for information and documents after it commenced an investigation into the circumstances of his termination from his firm. ([FINRA Case #2016051814301](#))

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

**M. Zucker, Inc. (CRD #5467)**  
New York, New York  
(August 12, 2019)

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

**M. Zucker, Inc. (CRD #5467)**  
New York, New York  
(August 9, 2019)

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**Firms 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.)

**Alpine Securities Corporation (CRD #14952)**  
Salt Lake City, Utah  
(August 15, 2019 – August 20, 2019)  
FINRA Case #2019062263301/FPI190001

**Financial West Investment Group, Inc. (CRD #16668)**  
Reno, Nevada  
(August 5, 2019)

**Financial West Investment Group, Inc. (CRD #16668)**  
Reno, Nevada  
(August 12, 2019)

**Scottsdale Capital Advisors Corp (CRD #118786)**  
Scottsdale, Arizona  
(August 15, 2019 – August 20, 2019)  
FINRA Case #2019062263701/FPI190002

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

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

**Objective Equity, LLC (CRD #132026)**  
Greenbrae, California  
(August 13, 2019)

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**Firm 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 9554**

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

**TCM Securities, Inc. dba Taylor Capital Management Inc. (CRD #43559)**  
Woodstock, Georgia  
(August 21, 2019)  
FINRA Arbitration Case #19-00500

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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.)

**Charles Lewis Bender III (CRD #2579528)**  
Miami, Florida  
(August 12, 2019)  
FINRA Case #2019062079801

**Daniel Edward Bingham (CRD #4175758)**  
Scottsdale, Arizona  
(August 9, 2019)  
FINRA Case #2018058157401

**Patrick Owen Devaney II (CRD #1305065)**  
 Huntington Beach, California  
 (August 12, 2019)  
 FINRA Case #2019061327201

**Kurt Frederick Diehlman (CRD #2311852)**  
 Gainesville, Florida  
 (August 2, 2019)  
 FINRA Case #2019061700201

**Clinton Reece Dunbar (CRD #3072039)**  
 Modesto, California  
 (August 27, 2019)  
 FINRA Case #2018057300601

**Charles Bradley Frank (CRD #6645141)**  
 Fuquay Varina, North Carolina  
 (August 26, 2019)  
 FINRA Case #2019061979301

**David Campbell Gallacher (CRD #4142474)**  
 Encinitas, California  
 (August 2, 2019)  
 FINRA Case #2019061396901

**Kyle Lawrence Goebel (CRD #6631260)**  
 Rosendale, Wisconsin  
 (August 5, 2019)  
 FINRA Case #2018058636901

**Fernando L. Gonzalez (CRD #5457054)**  
 Philadelphia, Pennsylvania  
 (August 5, 2019)  
 FINRA Case #2018059713101

**Myron Kent Gruenberg (CRD #1349992)**  
 Northbrook, Illinois  
 (August 15, 2019)  
 FINRA Case #2018058883501/FPI190005

**Adrianna L. Harris (CRD #6865538)**  
 Indianapolis, Indiana  
 (August 12, 2019)  
 FINRA Case #2019061477801

**Audrey Anne Hose (CRD #6283761)**  
 Doylestown, Ohio  
 (August 5, 2019)  
 FINRA Case #2018060959601

**Raymond Arthur Montchal (CRD #864457)**  
 Hershey, Pennsylvania  
 (August 19, 2019)  
 FINRA Case #2019061529801

**Robert Anderson Neuendorf (CRD #5769532)**  
 Woodbury, New York  
 (August 16, 2019)  
 FINRA Case #2018059468301

**Charles Matthew Wernig III (CRD #4305235)**  
 Morrison, Colorado  
 (August 5, 2019)  
 FINRA Case #2019061928001

**Xiangyu Yu Zhang (CRD #5050282)**  
 Monrovia, California  
 (August 2, 2019)  
 FINRA Case #2019061138501

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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.)

**Lisa Acca (CRD #4661358)**  
 Staten Island, New York  
 (February 22, 2019 – August 19, 2019)  
 FINRA Case #2018060634301

**Michael George Bailey (CRD #6521977)**  
 Lauderdale Lakes, Florida  
 (August 22, 2019)  
 FINRA Case #2019062536601

**Jevon William Bartley (CRD #5405555)**

Jacksonville, Florida  
(August 5, 2019)  
FINRA Case #2019062279901

**Sarah Bisch (CRD #6367263)**

Bristol, Rhode Island  
(August 22, 2019)  
FINRA Case #2019061826701

**Anita Shanks Cross (CRD #5093517)**

St. Louis, Missouri  
(August 19, 2019)  
FINRA Case #2019062742501

**Edward Gonzales (CRD #6835629)**

Mesa, Arizona  
(August 12, 2019)  
FINRA Case #2018060416601

**Adrian David Hegarty (CRD #2988373)**

Manhasset, New York  
(August 22, 2019)  
FINRA Case #2019062642101

**David Wayne Kraft (CRD #2356400)**

Jupiter, Florida  
(August 26, 2019)  
FINRA Case #2019062268801

**Anthony Andrea La Gala (CRD #7096658)**

Tampa, Florida  
(August 19, 2019)  
FINRA Case #2019062571401

**Jeffrey Wade Lundstrom (CRD #2377839)**

San Diego, California  
(June 7, 2019 – August 2, 2019)  
FINRA Case #2018057708001

**Michael Louis Madril (CRD #6116033)**

Basalt, Colorado  
(August 30, 2019)  
FINRA Case #2019062289001

**Vincent James Mazza (CRD #4332577)**

Howell, New Jersey  
(August 19, 2019)  
FINRA Case #2018060932001

**Richard Loel McClellan (CRD #829306)**

Chesterland, Ohio  
(August 30, 2019)  
FINRA Case #2019061640101

**Marc Anthony Murano (CRD #5816894)**

Chino, California  
(August 29, 2019)  
FINRA Case #2018058547501

**Benson Muraya (CRD #6883954)**

Columbus, Ohio  
(August 19, 2019)  
FINRA Case #2019062218701

**Merle Travis Murrain II (CRD #6993088)**

Kernersville, North Carolina  
(August 9, 2019)  
FINRA Case #2019062354701

**Blair Edwards Olsen (CRD #1545765)**

Carefree, Arizona  
(August 19, 2019)  
FINRA Case #2018058798801

**Angad Sandhu (CRD #6841609)**

Astoria, New York  
(August 26, 2019)  
FINRA Case #2019062889501

**Bryce R. Scarfone (CRD #6720620)**

San Francisco, California  
(May 24, 2019 – August 9, 2019)  
FINRA Case #2019061645501

**Donald George Sperring Jr. (CRD #2462982)**

East Pittsburgh, Pennsylvania  
(August 5, 2019)  
FINRA Case #2019062281401

**Zachary Su (CRD #6250666)**  
Covina, California  
(August 19, 2019)  
FINRA Case #2019062641601

**Anthony U. Uwechue (CRD #5313468)**  
Springfield Gardens, New York  
(August 29, 2019)  
FINRA Case #2018058739201

**Tiana M. Wright (CRD #6421861)**  
Milwaukee, Wisconsin  
(August 5, 2019)  
FINRA Case #2019061922801

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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.)

**Nathaniel Royce Clay (CRD #4525541)**  
New York, New York  
(August 28, 2019)  
FINRA Arbitration Case #15-03187

**William Christian Gennity (CRD #4913490)**  
Staten Island, New York  
(August 8, 2019)  
FINRA Arbitration Case #18-01386

**Anthony Joseph Germano (CRD #1921183)**  
Fair Lawn, New Jersey  
(August 28, 2019)  
FINRA Arbitration Case #18-04108

**Brandon Todd Lokits (CRD #5736879)**  
Wilmington, North Carolina  
(August 28, 2019)  
FINRA Arbitration Case #18-04229

**Shawn Anthony Mesaros (CRD #2336693)**  
Seattle, Washington  
(August 15, 2013 – August 15, 2019)  
FINRA Arbitration Case #10-04614

**John Stephen Reynolds Jr. (CRD #1804891)**  
Jersey City, New Jersey  
(August 7, 2019)  
FINRA Arbitration Case #19-00598

**Richard Alan Shotz (CRD #1681893)**  
Harwich Port, Massachusetts  
(August 15, 2019)  
FINRA Arbitration Case #19-00109

**Anthony Frank Vaccaro Jr. (CRD #3139011)**  
Southlake, Texas  
(August 1, 2019)  
FINRA Arbitration Case #17-01028