

Disciplinary and Other FINRA Actions

Firm Fined, Individual Sanctioned

C. L. King & Associates, Inc. ([CRD® #6183](#), Albany, New York) and Gregg Alan Miller ([CRD #4163500](#), Ballston Spa, New York)

November 4, 2019 – A National Adjudicatory Counsel (NAC) decision became final in which the firm was censured, fined \$342,000 and ordered to retain an independent consultant and Miller was fined \$20,000, suspended from association with any FINRA® member in any principal and supervisory capacity for three months and required to requalify by examination before acting in any principal or supervisory capacity. The NAC modified the findings and the sanctions imposed by the Office of Hearing Officers (OHO). The sanctions were based on the findings that the firm failed to establish and maintain a supervisory system, including written supervisory procedures (WSPs), reasonably designed to ensure compliance with the federal securities laws and FINRA rules in connection with the firm’s survivor bonds business. The findings stated that no one at the firm had first-hand experience with a unique investment strategy created by a customer, who was a seasoned investment banker, and his hedge fund or the survivor bond business. The firm’s failure to reasonably supervise this unique business line continued for an extended period and involved 36 separate accounts at the firm and the redemption of approximately \$62 million in survivor bonds on behalf of the customer and his hedge fund. The firm also did not have a written process for reviewing the redemption documents that it submitted, and did not obtain copies of participant agreements in a timely manner that coincided with establishing the accounts for the participants and the customer. The firm earned over \$1 million from the customer and his hedge fund’s business. However, the firm earned no money directly from submitting the survivor bond redemptions. The NAC reversed the hearing panel’s findings that the firm negligently made material misrepresentations and omitted to disclose material information to the issuers of the survivor bonds. The findings also stated that the firm and Miller failed to establish and implement a reasonable anti-money laundering (AML) program, including WSPs, designed to detect, investigate and report potentially suspicious activity, particularly in light of the risks presented by penny stock liquidations of two customers, a bank and a corporation. The firm had embarked on a new and unfamiliar business line when it began liquidating penny stocks for the bank. The firm magnified its AML risk because a foreign financial institution domiciled in Switzerland placed penny stock orders on behalf of another foreign financial institution domiciled in Liechtenstein. Later, the firm significantly increased its AML exposure when it accepted the corporation as a customer and increased the volume of the firm’s penny-stock-liquidation business. The findings also included that the firm and Miller failed to conduct adequate due diligence and respond to red flags regarding the trading activity of the bank. The firm and Miller’s participation in the

Reported for January 2020

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).

customers' liquidations of speculative penny stocks without responding to red flags created a significant risk of harm to the investing public and integrity of the market. For liquidating penny stocks on behalf of the customers, the firm received commissions of over \$574,000. The firm and Miller wholly failed to understand their obligations under the Bank Secrecy Act and FINRA rules related to the bank, a foreign financial institution. As a result, the firm and Miller never questioned the nature of the bank's trading activity. Although the firm obtained a contractual representation from a broker-dealer based in Switzerland that it maintained a U.S.-compliant AML program, the firm and Miller did not meaningfully assess whether this was true.

The suspension is in effect from December 2, 2019, through March 2, 2020. ([FINRA Case #2014040476901](#))

Firm Fined

BGC Financial, L.P. (CRD #19801, New York, New York)

November 12, 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 immediately execute, route, or display customer limit orders in over-the-counter securities. The findings stated that the violations resulted from the firm's delayed handling of limit orders that would lock or cross the market. ([FINRA Case #2016051256201](#))

NYLIFE Securities LLC (CRD #5167, New York, New York)

November 20, 2019 – An AWC was issued in which the firm was censured, fined \$250,000, ordered to pay \$76,643.47, plus interest, in restitution to customers for realized losses, ordered to offer rescission to customers for unrealized losses totaling approximately \$250,000, plus interest, and ordered to certify in writing that it has reviewed its systems for enforcing its written procedures governing the suitability of recommendations to purchase mutual funds, and that it has established and implemented systems for enforcing those procedures that are reasonably designed to achieve compliance with FINRA Rule 3110. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to enforce its written procedures for supervising the suitability of sales of higher-risk mutual funds that were subject to significant volatility. The findings stated that, according to those procedures, when such sales resulted in customer portfolios that were over-concentrated in higher-risk securities, the firm's registered persons were required to work with customers to reallocate the portfolios, or determine how to change their risk tolerances and investment objectives to correspond with their assumption of additional risk. However, the firm adjusted customers' risk tolerances and investment objectives to accommodate sales of higher-risk mutual funds, without first seeking the customers' input. Those unilateral adjustments permitted numerous

customers to over-concentrate their portfolios in higher-risk mutual funds, leading to losses totaling \$1.4 million. Some of the customers complained and, prior to any regulator's intervention, the firm voluntarily paid full restitution to those customers totaling \$1.1 million. Following the customer complaints and FINRA's investigation, the firm voluntarily made improvements to its operations, including hiring three new registered principals and a fourth registered person to investigate surveillance alerts pertaining to the concentration of customer holdings in higher-risk mutual funds. ([FINRA Case #2016050685102](#))

Coda Markets, Inc. fka PDQ ATS, Inc. ([CRD #36187](#), Glenview, Illinois)

November 21, 2019 – An AWC was issued in which the firm was censured, fined \$90,000 and required to review and revise its systems and written procedures regarding the supervision of its Order Audit Trail System (OATS™) reporting to ensure that the systems and procedures are reasonably designed to achieve compliance with FINRA Rule 7450 and to implement and test all coding changes necessary to remediate the violations identified in the AWC. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report Reportable Order Events (ROEs) to OATS and reported ROEs that contained inaccurate, incomplete or improperly formatted data. The findings stated that the firm submitted route reports and corresponding new order reports containing inaccurate order sent timestamps and an inaccurate order received timestamps. The findings also stated that the firm failed to maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with FINRA rules concerning OATS reporting. ([FINRA Case #2016049105201](#))

Individuals Barred

Bryce J. Vance ([CRD #6499644](#), Caldwell, Idaho)

November 1, 2019 – An AWC was issued in which Vance was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Vance consented to the sanction and to the entry of findings that he falsified insurance applications by submitting unauthorized insurance applications on behalf of customers. The findings stated that Vance collected the customer-specific information by offering free insurance quotes and used the information to submit insurance applications to his member firm's affiliate insurance company without the customers' consent. In submitting the applications, Vance falsely indicated that the customers had authorized the submission of the applications and consented to the issuance of the insurance policies. After Vance submitted the applications, the customers were issued policies by the insurance company and received bills for the policies. For these policies, Vance received commissions of \$5,550.51, all of which was clawed back by the insurance company. ([FINRA Case #2018057094902](#))

Andrew Patrick Yoro ([CRD #6870944](#), Arlington, Texas)

November 1, 2019 – An OHO decision became final in which Yoro was barred from association with any FINRA member in all capacities. The sanction was based on findings that Yoro cheated on the Series 7 examination. The findings stated that before he took the exam, Yoro had attested that he had read and agreed to abide by FINRA’s Test Center Rules of Conduct that prohibit the use or attempted use of any study materials during the exam session. Yoro also agreed not to use any personal items, including study materials, during the exam and not to access the locker provided to him for his personal items during any unscheduled break in the exam. However, during the exam sessions, Yoro took three unscheduled breaks, which he used to consult his study guide. After consulting the study guide, Yoro reviewed previously answered questions from the exam, and changed several incorrect answers to correct answers. ([FINRA Case #2018056934901](#))

Daniel Karol Boyle ([CRD #5980470](#), Newtown, Pennsylvania)

November 5, 2019 – An AWC was issued in which Boyle was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Boyle consented to the sanction and to the entry of findings that he refused to provide information or documents requested by FINRA in connection with its investigation into allegations that he converted assets from his member firm by depositing a check for over \$7,000 payable to the firm into his personal bank account. The findings stated that Boyle later returned the funds to the firm. ([FINRA Case #2019063328201](#))

Ma Rosa Linan Abrego ([CRD #6122105](#), Dallas, Texas)

November 6, 2019 – An AWC was issued in which Linan Abrego was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Linan Abrego consented to the sanction and to the entry of findings that she refused to appear for on-the-record testimony requested by FINRA in connection with its investigation into whether she engaged in misappropriation. ([FINRA Case #2019063173201](#))

Gregory Charles Voetsch ([CRD #1223244](#), New York, New York)

November 6, 2019 – An AWC was issued in which Voetsch was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Voetsch consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA during the course of an investigation into the details of a Uniform Termination Notice for Securities Industry Registration (Form U5) amendment submitted by his former member firm. The findings stated that the Form U5 disclosed that an investment-related, consumer-initiated arbitration had been filed against him. The arbitration was later withdrawn. ([FINRA Case #2018060416901](#))

Philip Joseph Sparacino ([CRD #3243960](#), Staten Island, New York)

November 11, 2019 – An AWC was issued in which Sparacino was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Sparacino consented to the sanction and to the entry of findings that he refused to produce information and documents requested by FINRA while it was investigating allegations that he engaged in unauthorized, excessive and unsuitable trading while registered through his member firm. ([FINRA Case #2019063631801](#))

Jun Zhou ([CRD #2825595](#), Chicago, Illinois)

November 11, 2019 – An AWC was issued in which Zhou was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Zhou consented to the sanction and to the entry of findings that she participated in private securities transactions with sales of \$16,050,000, and selling compensation of \$199,000, without providing written notice to, or receiving approval from, her member firm. The findings stated that Zhou, both individually and through a small real estate company she wholly owned and controlled, participated in the sale of membership interests in private real estate funds managed by a third party and in a promissory note with that third-party fund manager. The fund membership interests and the promissory note were securities. In addition, Zhou formed a private real estate fund managed by Zhou's real estate company. Zhou subsequently filed, on behalf of the fund, a notice of exempt offering of securities with the Securities and Exchange Commission (SEC) related to transactions through which Zhou and her real estate company sold membership interests in the fund to investors, including firm customers. In connection with these transactions, Zhou's real estate company received from the fund a sourcing fee and a quarterly asset management fee. ([FINRA Case #2018059391501](#))

Lance Roman Armstrong ([CRD #4592423](#), Lafayette, New Jersey)

November 12, 2019 – An AWC was issued in which Armstrong was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Armstrong consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with its investigation of his activities. The findings stated that Armstrong's member firm filed a Form U5 disclosing that it had discharged him after he solicited and accepted multiple loans from customers in connection with an undisclosed outside business activity. ([FINRA Case #2019061580601](#))

Clint H. Keener ([CRD #2250146](#), Sunbury, Ohio)

November 12, 2019 – An AWC was issued in which Keener was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Keener consented to the sanction and to the entry of findings that he refused to appear for FINRA on-the-record testimony requested by FINRA in connection with an investigation into potential unsuitable recommendations made by him. ([FINRA Case #2015048347901](#))

Julie Ann Mineard ([CRD #3230787](#), Renton, Washington)

November 15, 2019 – An AWC was issued in which Mineard was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Mineard consented to the sanction and to the entry of findings that she converted and improperly used approximately \$24,044 that she obtained from a co-worker's brokerage account held at their member firm. The findings stated that Mineard routinely assisted the co-worker in paying his personal bills by making check requests for disbursements from the co-worker's brokerage account. Mineard inputted requests into the firm's online check request system to direct disbursements of the funds from the co-worker's account to Mineard's personal bank accounts. The check requests were made without the co-worker's prior knowledge or authorization. Mineard subsequently used these funds for her personal expenses. ([FINRA Case #2017056673501](#))

Linda Almeida Jay ([CRD #4633853](#), Sayreville, New Jersey)

November 19, 2019 – An AWC was issued in which Jay was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Jay consented to the sanction and to the entry of findings that she refused to appear for on-the-record testimony requested by FINRA in connection with its investigation into whether she submitted certain falsified documents to her member firm, as alleged in a Form U5 filed by the firm. ([FINRA Case #2018060602301](#))

Clark Morris Nobil ([CRD #348552](#), Miami Beach, Florida)

November 19, 2019 – An AWC was issued in which Nobil was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Nobil consented to the sanction and to the entry of findings that he refused to produce information and documents requested by FINRA after it began an examination regarding his appointment as trustee of two trusts to determine whether he had engaged in a business activity that should have been disclosed on his Uniform Application for Securities Industry Registration or Transfer (Form U4) or had otherwise acted in violation of FINRA rules. The findings stated that although Nobil provided partial responses to FINRA's requests, he did not substantially comply with its requests, and the information and documents he failed to provide, including specific bank statements and tax returns, were material to FINRA's investigation. ([FINRA Case #2019062569401](#))

Gerald Allan Eaton ([CRD #2279093](#), Acton, Massachusetts)

November 20, 2019 – An AWC was issued in which Eaton was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Eaton consented to the sanction and to the entry of findings that he failed to provide documents and information requested by FINRA in connection with its investigation that began after learning of the conduct disclosed in a Form U5 submitted by his member firm. The findings stated that in the Form U5, Eaton's firm stated that the reason for the termination was that he fraudulently facilitated distributions from the accounts of clients without their knowledge or consent or for their benefit. ([FINRA Case #2019064468601](#))

Joseph Viet Duy Phan ([CRD #2555300](#), Fountain Valley, California)

November 20, 2019 – An AWC was issued in which Phan was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Phan consented to the sanction and to the entry of findings that he failed to appear and provide on-the-record testimony requested by FINRA in connection with its investigation into allegations that he borrowed money from clients of his member firm without firm approval, and attempted to deposit a client's check into his personal bank account. ([FINRA Case #2018060408801](#))

Dennis Masaaki Nakamura ([CRD #819626](#), Moraga, California)

November 21, 2019 – An AWC was issued in which Nakamura was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Nakamura consented to the sanction and to the entry of findings that he refused to appear and provide on-the-record testimony requested by FINRA in connection with its investigation into whether he violated FINRA rules by making unsuitable investment recommendations to customers while associated with a member firm. ([FINRA Case #2018058820101](#))

Matthew Leon White ([CRD #5365185](#), Little Rock, Arizona)

November 21, 2019 – An AWC was issued in which White was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, White 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 filed a Form U5 disclosing that it had discharged White for failing to adequately disclose outside activities including his relationship to company business. ([FINRA Case #2018058815501](#))

Robert Frederick Genito ([CRD #4760338](#), Sarasota, Florida)

November 22, 2019 – An AWC was issued in which Genito was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Genito consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA after it began an investigation following receipt of a Form U5 filed by his member firm. The findings stated that the Form U5 indicated that the firm terminated Genito's registration because it discovered that he was involved in an undisclosed outside business activity or private securities transaction. ([FINRA Case #2019061049701](#))

Michael Radford Severance ([CRD #1023971](#), Loretto, Minnesota)

November 25, 2019 – An AWC was issued in which Severance was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Severance consented to the sanction and to the entry of findings that he refused to produce documents and information requested by FINRA. The findings stated that Severance's

member firm had filed a Form U5 terminating his association with it after the firm discovered that without notifying it or obtaining its approval, he had provided bill-paying services to a firm customer, for compensation, and that the customer had given a monetary gift to Severance's son in excess of \$100. ([FINRA Case #2019061052201](#))

Individuals Suspended

Beth Ann DeBouvre ([CRD #3176483](#), St. Clair Shores, Michigan) and **Kim Kahala Kopacka** ([CRD #3153396](#), Grosse Pointe Shores, Michigan)

November 1, 2019 – An Offer of Settlement was issued in which DeBouvre was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 15 months, and Kopacka was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in all capacities for two years and ordered to pay deferred disgorgement of a portion of commissions received in the amount of \$350,000, plus interest. Without admitting or denying the allegations, DeBouvre and Kopacka consented to the sanctions and to the entry of findings that they permitted and enabled Kopacka's husband to associate with and conduct securities business through two member firms and engage in activities requiring registration, despite the fact that he was barred from associating with any member firms and was therefore statutorily disqualified. The findings stated that for much of two decades, DeBouvre and Kopacka allowed Kopacka's husband to meet with new and existing firm customers and recommend the purchase and sales of securities to them, resulting in securities transactions of more than \$40 million and commissions of more than \$6 million. Kopacka's husband engaged in each firm's securities business and was at least indirectly controlled by the firms. Kopacka's husband was physically situated in a branch office; worked with and alongside registered representatives of the firms; opened new accounts at each firm; met with new and existing firm customers; discussed the nature and merits of investments with firm customers; corresponded with firm customers about their accounts; provided investment advice to firm customers; and recommended securities transactions to firm customers that the firms reviewed, approved, processed and recorded. DeBouvre and Kopacka facilitated the securities business of Kopacka's husband and helped him circumvent his statutory disqualification by, among other things, falsifying the documents supporting the transactions he recommended, approving the transactions and concealing his statutory disqualification.

DeBouvre's suspension is in effect from November 4, 2019, through February 3, 2021. Kopacka's suspension is in effect from November 4, 2019, through November 3, 2021. ([FINRA Case #2016050137503](#))

Elizabeth Ann Guarino ([CRD #1264531](#), East Meadow, New York)

November 1, 2019 – An AWC was issued in which Guarino was assessed a deferred fine of \$10,000, suspended from association with any FINRA member in all capacities for 15 months and required to requalify by examination as a General Securities Representative

by taking the Series 7 examination. Without admitting or denying the findings, Guarino consented to the sanctions and to the entry of findings that she recommended unsuitable speculative securities transactions to an elderly customer at her member firm. The findings stated that Guarino recommended that the customer invest in oil and natural gas limited partnerships that were speculative and whose general credit rating was junk. The customer was a homemaker with minimal investment experience and living on social security and income from her investment portfolio. The customer was a conservative investor with investment objectives of long-term and moderate growth and income. The customer relied on Guarino to make suitable investment recommendations to pursue continuous financial support for her retirement. As a result, the customer suffered principal losses of over \$150,000. The firm compensated the customer for her losses. The findings also stated that Guarino engaged in unauthorized trading in the elderly customer's accounts by effecting trades without the customer's knowledge and authorization or consent prior to entering the trades.

The suspension is in effect from November 4, 2019, through February 3, 2021. ([FINRA Case #2017055883501](#))

Brendan James Flick ([CRD #6130327](#), Orlando, Florida)

November 4, 2019 – An AWC was issued in which Flick was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Flick consented to the sanctions and to the entry of findings that he copied and pasted the signature of a customer on wire transfer authorization forms without permission. The findings stated that the transactions were quarterly distributions to the customer's account or to accounts belonging to her children, authorized by and done at her instruction, and ranged in value from \$15,000 to \$139,009. After personnel at Flick's member firm discovered the altered wire transfer forms during a routine branch examination, he inaccurately denied his involvement and suggested that the customer's son photocopied her signature to assist with the paperwork.

The suspension is in effect from November 4, 2019, through February 3, 2020. ([FINRA Case #2019062550101](#))

Christopher Kozak ([CRD #5530806](#), Highlands Ranch, Colorado)

November 4, 2019 – An AWC was issued in which Kozak was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Kozak consented to the sanctions and to the entry of findings that he engaged in an undisclosed outside business activity with a company. The findings stated that Kozak did not provide written or other notice to his member firm of his outside business activity until after FINRA inquired about the company. At the request of another registered representative, Kozak conducted due diligence on behalf of the company towards its potential acquisition of another company's assets.

Kozak learned that at that time, at the solicitation of the other registered representative, customers of his firm had invested a total of \$530,000 in the other company without disclosing those transactions to the firm. The original company purchased the other company's assets and Kozak served as the original company's chief operating officer, running its day-to-day operations, and was primarily responsible for managing it. Approximately \$300,000 of the customers' original investments have not been repaid. The findings also stated that Kozak completed an annual compliance questionnaire in which he falsely stated that he was in compliance with the firm's prohibition against engaging in outside business activities without giving prior notice and obtaining approval.

The suspension is in effect from November 4, 2019, through May 3, 2020. ([FINRA Case #2017053017201](#))

John Gunther Hoagland (CRD #247075, Bloomfield Hills, Michigan)

November 11, 2019 – An AWC was issued in which Hoagland was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Hoagland consented to the sanctions and to the entry of findings that he executed unauthorized trades totaling \$99,171 in the account of an elderly customer. The findings stated that Hoagland also executed an unauthorized trade for \$34,451 in the account of another customer. The findings also stated that Hoagland exercised discretion without written authorization by effecting trades in the accounts of additional customers.

The suspension is in effect from November 18, 2019, through February 17, 2020. ([FINRA Case #2018057112001](#))

Timothy Robert Millis (CRD #706959, Lake Orion, Michigan)

November 11, 2019 – An AWC was issued in which Millis was suspended from association with any FINRA member in all capacities for three months and ordered to pay deferred disgorgement of a portion of commissions received, which is ordered to be paid to FINRA in the amount of \$7,500, plus interest. In light of Millis' financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Millis consented to the sanctions and to the entry of findings that he recommended unsuitable short-term Class A mutual fund transactions to customers. The findings stated that although Millis understood that these mutual fund shares are long-term investments, he recommended the purchase and subsequent sale of the mutual fund shares after the customers held them for short periods. As a result, the customers were charged approximately \$174,725 in upfront sales charges. Millis' member firm has agreed to pay restitution to these customers. Half of the customers realized losses totaling approximately \$33,391. Millis violated the reasonable-basis suitability obligation by recommending frequent trading in mutual funds without understanding the costs of those transactions. The findings also stated that Millis recommended an unsuitable switch from a variable annuity to Class A mutual fund

shares to a senior customer that had significant expenses and short-term liquidity needs. Millis recommended that the customer liquidate the variable annuity, which resulted in a surrender charge of \$14,866 and then immediately recommended the customer purchase the mutual fund shares, for which the customer was charged \$15,340 in upfront sales charges. Millis violated the customer-specific suitability obligation because he did not have a reasonable basis to believe these recommended transactions were suitable for the customer.

The suspension is in effect from November 18, 2019, through February 17, 2020. ([FINRA Case #2017056197101](#))

Ralph Gerard Adamo (CRD #1624126, Ladera Ranch, California)

November 12, 2019 – An AWC was issued in which Adamo was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Adamo consented to the sanctions and to the entry of findings that he borrowed \$520,000 from two customers of his member firm and modified the borrowing arrangement with one of them without disclosing this activity to the firm and without receiving its approval to engage in it. The findings stated that Adamo borrowed \$200,000 from one of the customers and executed a promissory note that obligated him to repay the principal by a certain date. At that date, Adamo negotiated an extension of time until two years later to repay the principal and executed a second promissory note. By the extension date, Adamo repaid only a portion of the principal owed. Adamo later negotiated a one-year extension to repay the remaining principal and executed a third promissory note reflecting the terms of the extension. Ultimately, Adamo repaid the remaining amount owed on the loan. The findings also stated that Adamo received four loans totaling \$320,000 from another customer, a senior, with whom Adamo had a close personal relationship that predated the loans. Adamo did not document any of these loans but agreed to pay interest on the principal. Adamo repaid the first three loans. The next year, Adamo received the fourth loan and used the proceeds to make a partial payment of the amount that he owed on the loan from the original customer. Several years later, Adamo repaid the fourth loan. Adamo's firm prohibited its representatives from borrowing money from customers except in very limited circumstances not applicable here.

The suspension is in effect from December 2, 2019, through April 1, 2020. ([FINRA Case #2017056341901](#))

Rockney Francisco Garcia (CRD #6315252, Miami, Florida)

November 12, 2019 – An AWC was issued in which Garcia was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Garcia consented to the sanctions and to the entry of findings that he engaged in a check-kiting scheme while employed as a relationship banker at a bank and registered with a member firm. The

findings stated that Garcia wrote checks totaling \$2,450 against one of his personal bank accounts and deposited them into his personal bank account at the bank, knowing that he had insufficient funds available to cover the checks. Garcia did this in order to create a provisional credit in his account at the bank that he then spent. In each instance, the bank credited Garcia's account for the check. He then used some or all of the credit before the check was rejected due to insufficient funds. Garcia used the temporarily inflated balance of his account at the bank to make cash withdrawals and to pay personal expenses. In addition to paying return fees to his banks, shortly after the checks were returned, Garcia also deposited sufficient funds into his bank accounts to cover the deficits created.

The suspension is in effect from November 18, 2019, through February 17, 2020. ([FINRA Case #2018059314101](#))

Cody Hawkins-Fitzgerald (CRD #2506434, Oviedo, Florida)

November 12, 2019 – An AWC was issued in which Hawkins-Fitzgerald was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 60 days. Without admitting or denying the findings, Hawkins-Fitzgerald consented to the sanctions and to the entry of findings that he borrowed \$10,000 from an elderly customer in violation of his member firm's policies. The findings stated that Hawkins-Fitzgerald failed to obtain pre-approval from, or otherwise disclose the loan to, the firm, and instead asserted on compliance questionnaires that he had not engaged in any lending or borrowing arrangement with any customer.

The suspension is in effect from November 18, 2019, through January 16, 2020. ([FINRA Case #2019061911001](#))

Brian Joseph Lockett (CRD #4573162, Bothell, Washington)

November 12, 2019 – An AWC was issued in which Lockett was fined \$5,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Lockett consented to the sanctions and to the entry of findings that he participated in a private securities transaction without providing prior written notice to his member firm. The findings stated that one of Lockett's customers invested a total of \$50,000 in a private placement offering and Lockett participated by introducing the transaction to the customer, summarizing the reasons he liked the investment, meeting with the customer to review and sign the paperwork and causing the paperwork to be submitted. Lockett did not receive compensation for his participation in the transaction. Lockett attempted to conceal his role in the transaction by suggesting to the customer that they communicate about the transaction via Lockett's personal email address in the future. After the customer complained to it, the firm entered into a settlement to resolve the complaint. FINRA began an investigation into this matter after receiving a Form U5 amendment submitted by the firm.

The suspension is in effect from December 2, 2019, through January 15, 2020. ([FINRA Case #2016050847301](#))

John Steven Mullaly ([CRD #2679121](#), Cohasset, Massachusetts)

November 12, 2019 – An AWC was issued in which Mullaly was fined \$10,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Mullaly consented to the sanctions and to the entry of findings that he failed to inform his member firm that as a power of attorney he had control over an outside securities account that was held by a relative at another firm. The findings stated that on the power of attorney form, Mullaly indicated to the other firm that he was not affiliated with or employed by a firm. Mullaly signed and submitted annual compliance questionnaires to his firm, in which he falsely represented that he did not have any undisclosed outside securities accounts. The findings also stated that Mullaly made several trades in the account that were prohibited by his firm because they involved securities on its restricted list. Mullaly also made several trades in the account that required pre-approval by his firm because they involved securities that were on its research list.

The suspension is in effect from December 2, 2019, through March 1, 2020. ([FINRA Case #2018060554601](#))

Mauricio Abadi ([CRD #4461130](#), New York, New York)

November 14, 2019 – An AWC was issued in which Abadi was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Abadi consented to the sanctions and to the entry of findings that at a bank customer's request, he removed information about foreign exchange options positions from the customer's bank account statement. The findings stated that the customer, who resided in Brazil, informed Abadi that he was considering presenting bank account statements to the Brazilian tax authorities in order to participate in a tax amnesty program offered by the Brazilian government. The customer asked Abadi to modify one of his bank account statements to remove the notional amounts of his foreign exchange options from the document. The customer informed Abadi that he did not want the tax authorities to consider those amounts assets subject to tax liability. After receiving this request, Abadi used computer software to remove the notional amounts from the customer's account statement, such that the altered document only identified the aggregate market value of the customer's foreign exchange positions. Abadi then sent the altered document to the customer.

The suspension is in effect from November 18, 2019, through May 17, 2020. ([FINRA Case #2017054875402](#))

James Joseph Kearney ([CRD #265734](#), Houston, Texas)

November 14, 2019 – An AWC was issued in which Kearney was assessed a deferred fine of \$2,500 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Kearney consented to the sanctions and to the entry of findings that he exercised discretion by placing trades in customer accounts without written authorization from the customers and without acceptance of the accounts as discretionary by his member firm. The findings stated that

although Kearney discussed investment strategies with the customers regularly, he did not speak with the customers about the specific trades on the dates of the transactions. The findings also stated that Kearney caused the firm to create and maintain inaccurate books and records by mismarking some of the orders for the trades as unsolicited and marking none of them as discretionary.

The suspension was in effect from November 18, 2019, through December 9, 2019. ([FINRA Case #2018060118401](#))

Fredrick Martin Randhahn ([CRD #1338801](#), South Ogden, Utah)

November 14, 2019 – An AWC was issued in which Randhahn was assessed a deferred fine of \$5,000, suspended from association with any FINRA member in all capacities for nine months and ordered to pay deferred disgorgement of commissions received in the amount of \$33,167.67, plus interest. Without admitting or denying the findings, Randhahn consented to the sanctions and to the entry of findings that he engaged in unapproved private securities transactions involving the sale of promissory notes to investors, some of whom were also customers of his member firm. The findings stated that Randhahn solicited investors to purchase \$625,000 worth of promissory notes related to a purported real-estate investment fund. Randhahn personally invested \$125,000 in the promissory notes and received \$33,167.67 in commissions in connection with these transactions. 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 Randhahn failed to make any disclosure of the fund to the firm in response to firm questionnaires. On the questionnaires, Randhahn denied participating in any private securities transactions or selling any non-securities investment products.

The suspension is in effect from November 18, 2019, through August 17, 2020. ([FINRA Case #2018059663501](#))

Paul M. Mallory ([CRD #4954768](#), Royal Oak, Michigan)

November 15, 2019 – An AWC was issued in which Mallory was assessed a deferred fine of \$5,000, suspended from association with any FINRA member in any principal capacity for two months and ordered to attend and satisfactorily complete 40 hours of continuing education concerning supervisory responsibilities within 90 days of association with any member firm in any principal capacity. Without admitting or denying the findings, Mallory consented to the sanctions and to the entry of findings that he failed to reasonably supervise a former registered representative who, while registered through their member firm, recommended unsuitable trades in multiple customer accounts. The findings stated that Mallory did not take any steps to investigate red flags that the recommended

purchases may not be suitable for the customers. Had Mallory done so, he would have learned that none of the customers was accredited and that the recommended purchases were inconsistent with the customers' express investment objectives and risk tolerance, as well as with their financial situation and needs. Moreover, none of the customers had authorized the transactions. The findings also stated that Mallory approved the recommended securities transactions when he knew or should have known that the applications for such transactions contained false information. Mallory was aware of red flags that the representative submitted applications to purchase securities that incorrectly identified the associated person responsible for the account, but he did not investigate those red flags. On several occasions, Mallory initially rejected applications for securities transactions because the customers lived in states where the representative was not registered to conduct a securities business, but then subsequently approved them when they were refiled under the wife's name, who was also a representative of the firm at the time.

The suspension is in effect from November 18, 2019, through January 17, 2020. ([FINRA Case #2018060577601](#))

Kevin J. Murphy (CRD #1645347, Dana Point, California)

November 15, 2019 – An Offer of Settlement was issued in which Murphy was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for seven months. Without admitting or denying the allegations, Murphy consented to the sanctions and to the entry of findings that he participated in an undisclosed private securities transaction away from his member firm by soliciting and negotiating a \$500,000 investment in exchange for shares of common stock of a company without providing prior written notice to the firm. The findings stated that Murphy solicited the investment in the company from two individuals, who jointly owned a corporation that was a customer of the firm, in order to provide funding for the company to become a FINRA member and operate as a clearing firm. The findings also stated that Murphy engaged in undisclosed outside business activities on behalf of the company, including acting as an officer of it, without providing prior written notice to his firm. In addition, Murphy had a reasonable expectation of compensation as a result of the work he performed on behalf of the company.

The suspension is in effect from November 18, 2019, through June 17, 2020. ([FINRA Case #2017054548001](#))

Michael Jason Collins (CRD #2915653, Chicago, Illinois)

November 18, 2019 – An AWC was issued in which Collins was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for five months. Without admitting or denying the findings, Collins consented to the sanctions and to the entry of findings that he participated in private securities transactions totaling

approximately \$200,000 without providing prior notice to his member firm. The findings stated that Collins solicited individuals to invest in membership units of a limited liability company organized to operate a new restaurant in Chicago, Illinois. Although the firm had approved Collins and his father's own investment in the limited liability company, it prohibited Collins from soliciting any other investors. Despite this instruction, Collins participated in the sale of the membership interests by, among other things, introducing the investors to the business partners in the investment, discussing his own investments in the project with them and attending networking events with the investors where the investment was discussed. Some of the investors were also customers of the firm. The restaurant opened and then closed approximately nine months later. The findings also stated that Collins helped arrange for the limited liability company to repurchase the membership units from certain of the investors as part of a broader agreement. Collins also separately paid the investors who participated in the agreement the difference between their original investment and the amount they received pursuant to the agreement. Collins did not disclose his involvement in this arrangement to the firm. Prior to the events at issue here, the firm issued Collins a Letter of Education warning him that he could not participate in private securities transactions without authorization. The Letter of Education related to an instance where Collins forwarded to a firm customer an email relating to an outside investment in a separate restaurant. The findings also included that Collins failed to disclose the participation in the investments on annual compliance attestations.

The suspension is in effect from November 18, 2019, through April 17, 2020. ([FINRA Case #2017056104801](#))

Gregory Paul Pellizzon (CRD #712667, Ladera Ranch, California)

November 18, 2019 – An AWC was issued in which Pellizzon was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 20 business days. Without admitting or denying the findings, Pellizzon consented to the sanctions and to the entry of findings that he non-willfully failed to disclose a customer's complaint on his Form U4 as required. The findings stated that counsel for the customer sent an email to counsel for Pellizzon and his member firm that included a complaint about Pellizzon's management of the customer's assets, including her account at the firm. The complaint included a demand for monetary compensation that the firm and Pellizzon later settled with the customer. In reliance on legal counsel, Pellizzon erroneously determined that the complaint was not required to be reported on his Form U4.

The suspension was in effect from November 18, 2019, through December 16, 2019. ([FINRA Case #2014041107201](#))

Alexander Lycouris (CRD #6422905, Boca Raton, Florida)

November 19, 2019 – An AWC was issued in which Lycouris was suspended from association with any FINRA member in all capacities for seven months. In light of Lycouris'

financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Lycouris consented to the sanction and to the entry of findings that he participated in an outside business activity without providing prior written notice to his member firm. The findings stated that a company offering subscription-based stock and cryptocurrency research and recommendations enlisted Lycouris to design an automated system that would direct emails to its existing subscribers nearing expiration, as well as the founder's followers on LinkedIn. The company paid Lycouris a salary and bonuses for his employment. The findings also stated that Lycouris provided untimely responses to FINRA's requests for documents and information. In his response to FINRA's initial requests, Lycouris did not disclose the full duration of his employment with, or the amount of compensation he received from, the company. Later, Lycouris supplemented his initial response by disclosing that he was employed by the company for a greater duration and received more in compensation than he initially disclosed. Although, Lycouris eventually provided the information sought by FINRA, he failed to do so timely, delaying his complete response by more than three months.

The suspension is in effect from December 2, 2019, through July 1, 2020. ([FINRA Case #2018059948701](#))

David Quentin Kendrick (CRD #4384666, Shreveport, Louisiana)

November 21, 2019 – An AWC was issued in which Kendrick was assessed a deferred fine of \$30,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Kendrick consented to the sanctions and to the entry of findings that he engaged in an outside business activity, as an officer, member and manager of an investment club, without providing prior written notice to his member firm. The findings stated that Kendrick was aware of the firm's WSPs with respect to outside business activities, as he had previously disclosed several of his outside business activities to the firm. Kendrick and other individuals, including his firm customers, formed the investment club. Kendrick executed the club's operating agreement, which vested him with the exclusive authority to manage and control the affairs of the club. Kendrick also received an irrevocable power of attorney. Kendrick also organized and conducted club-related meetings at his firm branch office. Kendrick made false statements to the firm on annual compliance questionnaires and branch audit questionnaires concerning his outside business activities. The findings also stated that Kendrick participated in private securities transactions without providing prior written notice to or receiving written approval from his firm. Kendrick and other individuals, including his firm customers, also used another investment vehicle to facilitate one of the investments. Through the investment club and the other investment vehicle, Kendrick solicited, recommended and facilitated investments totaling \$290,000 in private placements, including investments made by his firm customers who were members of the investment club and the investment vehicle. Kendrick personally invested a total of \$106,297 in different private placements. Each of the investments were securities for which Kendrick and the other investors received equity interest in

the form of membership units, shares and/or warrants. The firm conducted a review of Kendrick's business and identified his continued activities on behalf of the investment club and the investment vehicle. During its investigation, Kendrick told firm personnel that he was a passive investor in the club and did not own any investments through the club, even though he had managed its activities and personally invested in private placements through it. Kendrick also told firm personnel that he did not form the other investment vehicle or solicit investors in it, even though that was not true. In addition, Kendrick did not disclose all of his personal investments away from the firm and made false statements to the firm concerning his private securities transactions on annual compliance questionnaires and branch audit questionnaires.

The suspension is in effect from December 16, 2019, through June 15, 2021. ([FINRA Case #2018058397101](#))

Harold Alan Schwartz (CRD #841225, Highlands Ranch, Colorado)

November 21, 2019 – An AWC was issued in which Schwartz 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, Schwartz consented to the sanctions and to the entry of findings that he impersonated a customer on telephone calls to an annuity company for the purpose of reducing the periodic withdrawals from the customer's annuity, a change the customer wanted. The findings stated that although the customer gave Schwartz permission to effect the reduction of withdrawals, he did not give Schwartz permission to impersonate him with the annuity company.

The suspension was in effect from December 16, 2019, through January 7, 2020. ([FINRA Case #2019061715601](#))

Seth Michael Warshaw (CRD #5287542, New York, New York)

November 25, 2019 – An AWC was issued in which Warshaw was fined \$5,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Warshaw consented to the sanctions and to the entry of findings that he improperly used his member firm's funds. The findings stated that Warshaw expensed car trips amounting to over \$1,200 that were not reimbursable under the firm's expense policy. To make it appear that the car trips were eligible for reimbursement under the firm's policy, Warshaw altered the time of the ride, the pick-up location, the drop-off location and/or the map route on the electronic receipts he received from the car service. Warshaw then submitted the altered receipts to the firm, and it reimbursed him.

The suspension is in effect from December 16, 2019, through June 15, 2020. ([FINRA Case #2018057753501](#))

Carmelo Arce Alvarez (CRD #5526419, San Juan, Puerto Rico)

November 26, 2019 – An AWC was issued in which Arce Alvarez was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Arce Alvarez 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 his member firm having approved any of the accounts for discretionary trading. The findings stated that the customers had given Arce Alvarez implied authority to exercise discretion in their accounts.

The suspension is in effect from December 16, 2019, through January 15, 2020. ([FINRA Case #2018059949301](#))

Eugene Nathan Gordon (CRD #4744448, Palo Alto, California)

November 27, 2019 – An AWC was issued in which Gordon was fined \$5,000 and suspended from association with any FINRA member in all capacities for 90 days. Without admitting or denying the findings, Gordon consented to the sanctions and to the entry of findings that he effected transactions in his customer's Individual Retirement Account (IRA) based upon instructions given to him by the customer's wife, who was not authorized to direct transactions in the customer's account. The findings stated that based upon the instructions received from the customer's wife, Gordon made mutual fund trades in the customer's IRA and facilitated distributions from the IRA to the couple's joint bank account totaling \$317,704.88. Gordon also entered inaccurate notes in his member firm's system in connection with certain distributions because he indicated in the notes that he had spoken with the customer when he actually had spoken with the customer's wife.

The suspension is in effect from December 16, 2019, through March 14, 2020. ([FINRA Case #2018057579701](#))

Rochelle Sophia Shoulders (CRD #5212412, Florissant, Missouri)

November 27, 2019 – An AWC was issued in which Shoulders was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for five months. Without admitting or denying the findings, Shoulders consented to the sanctions and to the entry of findings that she used computer software to copy customer signatures from older forms in order to affix them onto new forms, including for the transfer of funds and securities between a customer's accounts. The findings stated that Shoulders did this as an accommodation to the customers, who requested and authorized the transactions effectuated by the forms onto which she affixed signatures. In addition, Shoulders, a notary public commissioned by the State of Missouri, notarized forms to transfer or open additional accounts without the customers, who had signed the forms, being present as an accommodation to those customers.

The suspension is in effect from December 2, 2019, through May 1, 2020. ([FINRA Case #2017056393301](#))

Murry Meir Shapero ([CRD #1846138](#), Aventura, Florida)

November 29, 2019 – An AWC was issued in which Shapero was suspended from association with any FINRA member in all capacities for one month. FINRA determined not to impose a fine after considering, among other things, the fact that Shapero’s member firm fined him \$20,000 in connection with the conduct described in the AWC. Without admitting or denying the findings, Shapero consented to the sanction and to the entry of findings that he exercised discretion by effecting trades in customer accounts without their prior written authorization and without the firm accepting in writing any of these accounts as discretionary. The findings stated that the transactions were part of an options strategy Shapero employed.

The suspension is in effect from December 16, 2019, through January 15, 2020. ([FINRA Case #2018056487801](#))

Complaint Filed

FINRA issued the following complaint. 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 this complaint is unadjudicated, you may wish to contact the respondent before drawing any conclusions regarding the allegations in the complaint.

James Gregory McKinney ([CRD #2100850](#), Mannford, Oklahoma)

November 5, 2019 – McKinney was named a respondent in a FINRA complaint alleging that he failed to comply with FINRA requests for information, documents and on-the-record testimony in connection with an investigation of him for possible violations of FINRA rules. ([FINRA Case #2018057829001](#))

Firms Expelled for Failure to Pay Fines and/or Costs Pursuant to FINRA Rule 8320
Accelerated Capital Group, Inc. (CRD #41270)

Costa Mesa, California
(November 27, 2019)
FINRA Case #2012033566205

Spencer Edwards, Inc. (CRD #22067)

Centennial, Colorado
(November 27, 2019)
FINRA Case #2014041862701

Windsor Street Capital, LP (CRD #34171)

New York, New York
(November 27, 2019)
FINRA Case #2016048912703

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.)

Financial West Investment Group, Inc. (CRD #16668)

Reno, Nevada
(November 4, 2019)

Financial West Investment Group, Inc. (CRD #16668)

Reno, Nevada
(November 8, 2019)

KJM Securities, Inc. (CRD #20277)

Bronxville, New York
(November 1, 2019)
FINRA Case #2019063498901/FPI190006

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.)

Midtown Partners & Co., LLC (CRD #104223)

New York, New York
(November 26, 2019)
FINRA Arbitration Case #18-04135

Individuals Revoked for Failure to Pay Fines and/or Costs Pursuant to FINRA Rule 8320

(If the revocation has been rescinded, the date follows the revocation date.)

Salam Aburas (CRD #2969004)

Houston, Texas
(June 14, 2002 – November 15, 2019)
FINRA Case #C8A010014

Jonathon Hartwig (CRD #6370247)

Jamestown, Ohio
(November 27, 2019)
FINRA Case #2017054848101

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.)

Emmanuel Olufemi Ajayi (CRD #5675154)

Bronx, New York
(November 26, 2019)
FINRA Case #2018060928001

Christopher Joseph Arts (CRD #1991130)
New York, New York
(November 18, 2019)
FINRA Case #2019061810201

Michael George Bailey (CRD #6521977)
Lauderdale Lakes, Florida
(November 1, 2019)
FINRA Case #2019062536601

Sarah Bisch (CRD #6367263)
Bristol, Rhode Island
(November 1, 2019)
FINRA Case #2019061826701

Tywan Chariff Bishop (CRD #6441836)
New York, New York
(November 25, 2019)
FINRA Case #2018059644302

Mauricio Borja (CRD #6102733)
Mission, Texas
(November 12, 2019)
FINRA Case #2018058726502

Ryan J. Botner (CRD #4998373)
Fargo, North Dakota
(November 12, 2019)
FINRA Case #2019062866301

Stephen Albert Encino (CRD #6328652)
Katy, Texas
(November 18, 2019)
FINRA Case #2019062113901

Scott Allen Fries (CRD #2205768)
Piqua, Ohio
(November 18, 2019)
FINRA Case #2019062558701

Adrian David Hegarty (CRD #2988373)
Manhasset, New York
(November 1, 2019)
FINRA Case #2019062642101

David Wayne Kraft (CRD #2356400)
Jupiter, Florida
(November 4, 2019)
FINRA Case #2019062268801

Michael Louis Madril (CRD #6116033)
Basalt, Colorado
(November 12, 2019)
FINRA Case #2019062289001

Richard Loel McClellan (CRD #829306)
Chesterland, Ohio
(November 12, 2019)
FINRA Case #2019061640101

Marc Anthony Murano (CRD #5816894)
Chino, California
(November 8, 2019)
FINRA Case #2018058547501

Michael Allen Navarre (CRD #6255899)
Los Angeles, California
(November 12, 2019)
FINRA Case #2019062380001

Blair Edwards Olsen (CRD #1545765)
Carefree, Arizona
(November 11, 2019)
FINRA Case #2018058798801

Karishma Persaud aka Susy Persaud (CRD #4866127)
Lake Worth, Florida
(November 18, 2019)
FINRA Case #2017052702701

Angad Sandhu (CRD #6841609)
Astoria, New York
(November 4, 2019)
FINRA Case #2019062889501

Anthony U. Uwechue (CRD #5313468)
Springfield Gardens, New York
(November 8, 2019)
FINRA Case #2018058739201

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.)

Michael Allan Bressman (CRD #873973)

Montville, New Jersey
(November 4, 2019)
FINRA Case #2019061168201

Stephanie Eileen Dannenberg (CRD #6961742)

Southern Pines, North Carolina
(November 25, 2019)
FINRA Case #2019062555901

Mary Ann Dineen (CRD #2795942)

Fort Myers, Florida
(November 4, 2019)
FINRA Case #2019062212701

David Howard Fagenson (CRD #1652012)

Palm Beach Gardens, Florida
(November 18, 2019)
FINRA Case #2018057351801

Mark Anthony Figueroa (CRD #5750447)

Islip, New York
(November 21, 2019)
FINRA Case #2018060919901

Michael Edgar Freeman (CRD #2311151)

Bear, Delaware
(September 20, 2019 – November 26, 2019)
FINRA Case #2019061722101

Karen Yvonne Kopatz (CRD #1248496)

Louisville, Kentucky
(November 1, 2019)
FINRA Case #2018059692201

Gregory Morgan (CRD #2671881)

Dacula, Georgia
(November 29, 2019)
FINRA Case #2019063655001

Wesley Ethan Rayner (CRD #6155709)

Bayville, New Jersey
(November 25, 2019)
FINRA Case #2019062439601

Jordan Andres Rodriguez (CRD #6403488)

Kenner, Louisiana
(November 21, 2019)
FINRA Case #2019061255801

Michael Edward Spyrka (CRD #1801729)

Montclair, New Jersey
(November 29, 2019)
FINRA Case #2019062733201

Frederick Markley Stow (CRD #864436)

Franklin, Tennessee
(November 12, 2019)
FINRA Case #2019062859101

Cynthia Carter Turner (CRD #6678735)

Largo, Florida
(November 25, 2019)
FINRA Case #2019063795901

Dennis Willard Taylor (CRD #1563266)

Marietta, Georgia
(November 25, 2019)
FINRA Case #2018056303901

Mark Bradford Wetherell (CRD #1373405)

Summerville, South Carolina
(November 18, 2019)
FINRA Case #2019063661801

Jason Andrew Wilk (CRD #6072438)

Staten Island, New York
(November 25, 2019)
FINRA Case #2019062413201

Marcus Allan Wright (CRD #6220771)
Auburn, Washington
(November 4, 2019)
FINRA Case #2019062680101

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.)

Christopher Rice Callagy (CRD #1688999)
Lynbrook, New York
(November 13, 2019 – December 10, 2019)
FINRA Arbitration Case #18-01548

Anthony L. Costanzo (CRD #6099311)
Ladera Ranch, California
(November 22, 2019)
FINRA Arbitration Case #19-00975

Matthew Patrick Dininno (CRD #4832766)
Post Falls, Idaho
(June 21, 2019 – November 19, 2019)
FINRA Arbitration Case #18-03961

Rodrick Wayne Dow (CRD #2855724)
Katy, Texas
(November 21, 2019)
FINRA Arbitration Case #19-00362

Matthew Evan Eckstein (CRD #2997245)
Syosset, New York
(November 15, 2019)
FINRA Arbitration Case #18-02095

Matthew Evan Eckstein (CRD #2997245)
Syosset, New York
(November 18, 2019)
FINRA Arbitration Case #18-02864

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

Cary Jarrett Kievman (CRD #2804357)
Moorpark, California
(November 21, 2019)
FINRA Arbitration Case #16-03476

Jeffrey E. Krupnick (CRD #4307569)
Sarasota, Florida
(November 18, 2019)
FINRA Arbitration Case #17-03080

Jonathan Richard Lake (CRD #1385504)
Lordship, Connecticut
(November 11, 2019)
FINRA Case #2019063180201/ARB190024

Jerry Dewayne McCutchen Sr. (CRD #1076678)
Theodore, Alabama
(November 18, 2019)
FINRA Arbitration Case #17-01368

Rocco Roveccio (CRD #2713144)
Freehold, New Jersey
(November 15, 2019)
FINRA Arbitration Case #17-03364

Press Releases

FINRA Orders Merrill Lynch, Pierce, Fenner & Smith Inc., Raymond James & Associates, Inc., and Raymond James Financial Services, Inc. to Pay More Than \$12 Million in Restitution to Customers for Supervisory Failures Involving 529 Plan Share Classes

Firms Failed to Reasonably Supervise 529 Plan Share-Class Recommendations Made to Customers; Matters Identified Prior to FINRA Initiative Launched in January

On November 6, 2019, FINRA announced that [Merrill Lynch, Pierce, Fenner & Smith Incorporated](#) (Merrill Lynch), [Raymond James & Associates, Inc.](#) (RJA), and [Raymond James Financial Services, Inc.](#) (RJFS) have agreed to pay a total of approximately \$12 million in restitution to customers who incurred excess fees on their investments in 529 savings plans based on the firms' failures to reasonably supervise 529 plan share-class recommendations. Merrill Lynch has agreed to pay restitution of at least \$4 million relating to the sale of Class C shares to 529 plan accounts with young beneficiaries. RJA has agreed to pay more than \$3.8 million in restitution and RJFS has agreed to pay \$4.2 million in restitution.

These matters pre-date FINRA's 529 Plan Share Class Initiative announced in January, which encouraged member firms to voluntarily self-report potential violations relating to 529 plans.

529 plans are tax-advantaged municipal securities that are designed to encourage saving for the future educational expenses of a designated beneficiary. 529 plans are sponsored by states, state agencies, or educational institutions. States offer 529 plans either directly, through designated broker-dealers, or both. Because 529 plans are municipal securities, the sale of 529 plans are governed by the rules of the Municipal Securities Rulemaking Board.

Shares of 529 plans are sold in different classes with different fee structures. Class A shares typically impose a front-end sales charge but charge lower annual fees compared to other classes. Class C shares typically impose no front-end sales charge but impose higher annual fees than Class A shares. Because Class C shares may be more expensive over extended holding periods, Class A shares are frequently a more suitable option for accounts with younger beneficiaries and longer investment horizons (and/or accounts that qualify for breakpoint discounts).

Both Merrill Lynch and the Raymond James firms failed to ensure that registered representatives considered the various fee structures when making 529 plan recommendations to customers, particularly for accounts that had young beneficiaries and long-term investment horizons. Specifically, FINRA found that Merrill Lynch and the Raymond James firms failed to establish and maintain a supervisory system and written supervisory procedures reasonably designed to supervise recommendations of share classes of 529 plans. The firms' supervisory systems did not require registered representatives or supervisors to evaluate beneficiary age and the number of years until expected withdrawals, combined with the different fees and expenses of the share classes, when making share-class recommendations.

Jessica Hopper, Senior Vice President and Acting Head of FINRA's Department of Enforcement, said, "FINRA member firms must be cognizant of all costs to their customers when recommending a product. This is particularly important where an unsuitable recommendation may cause customers to incur higher fees year-after-year, especially in the case of young beneficiaries. Returning money to harmed investors as quickly and efficiently as possible remains a priority."

In determining the appropriate monetary sanction, FINRA recognized Merrill Lynch, RJA, and RJFS's extraordinary cooperation.

In settling this matter, [Merrill Lynch, RJA and RJFS](#) neither admitted nor denied the charges, but consented to the entry of FINRA's findings.