

# Disciplinary and Other FINRA Actions

## Firms Fined

**SunTrust Robinson Humphrey, Inc. nka Truist Securities, Inc.**  
**([CRD #6271](#), Atlanta, Georgia)**

June 1, 2022 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured and fined \$1,250,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it engaged in principal trading designed to increase the trading volume in certain securities and overstated its advertised trading volume in those securities. The findings stated that the firm created and maintained a list that was provided to its equity traders, which contained the names of companies that were current or prospective investment banking clients, ranked how much of each company's stock the firm traded compared to other broker-dealers and included a target trade ranking range—a goal for where the investment banking department wanted the firm to rank. In several instances, the firm's trading volume increased on the first day a stock was added to the list, and in one instance, the firm's principal trading represented as much as 46 percent of the total daily volume in that security. To achieve this result, the firm sometimes entered principal orders to buy and sell shares of stocks on the list in quick succession, sometimes losing money but increasing the firm's volume in those securities. Certain traders at the firm also overstated their advertised trading volume to media sources that published trade rankings, representing that the firm had traded more stock than it actually had. Through these actions, the firm made it appear that it was more active in the stock of certain issuers that were either current or prospective clients. After receiving an inquiry from FINRA, the firm conducted an internal investigation, self-reported the cause and scope of the over-advertising and instituted remedial changes. The findings also stated that the firm's supervisory system was not reasonably designed to achieve compliance with FINRA Rule 5210. Although the firm had a restricted list and a watch list, as well as surveillance to review trading in the securities on those lists, the surveillance only reviewed the traders' personal accounts—not the firm's principal accounts. Moreover, the firm had surveillance reports designed to detect potentially manipulative trading, including wash trades, but the firm had no controls or reviews designed to identify its equity traders' orders to buy and sell stocks in similar or the same quantities within short periods of time in the firm's principal accounts. Finally, the firm had no procedure or designated supervisor to review the firm's trading volume and compare it to the volume reported to third party publishing platforms. ([FINRA Case #2015045039501](#))

## Reported for August 2022

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

### Search for FINRA Disciplinary Actions

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

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

**Credit Suisse Securities (USA) LLC ([CRD #816](#), New York, New York)**

June 8, 2022 – An AWC was issued in which the firm was censured and fined a total of \$125,000, of which \$41,667 is payable to FINRA. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it over-tendered 85,000 shares on behalf of an affiliate in a company. The findings stated that the firm miscalculated the affiliate's long position for a partial tender offer (PTO) because it did not subtract in-the-money call options sold on and after the company's PTO announcement date. All of the shares that the firm tendered on behalf of its affiliate, of which 11,560 shares were accepted, were over-tendered. The findings also stated that the firm did not have a reasonably designed supervisory system to comply with Rule 14e-4 of the Securities Exchange Act of 1934 (Exchange Act). The firm's procedures did not include supervisory review regarding compliance with Rule 14e-4, including but not limited to a supervisory review concerning the treatment of options in the calculation of a net long position for the purpose of tendering shares. ([FINRA Case #2019062945701](#))

**Credit Suisse Securities (USA) LLC ([CRD #816](#), New York, New York)**

June 10, 2022 – An AWC was issued in which the firm was censured and fined \$200,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it reported short sale transactions to the trade reporting facility (TRF) and over-the-counter reporting facility without short sale indicators. The findings stated that the firm submitted approximately 15.9 million clearing transactions to the TRFs without short sale indicators because the firm misunderstood its reporting obligations. As a result, the firm failed to update its trade reporting systems to include short sale indicators on non-tape, clearing-only regulatory reports. The firm has since remediated this issue by updating its trade reporting systems. The findings also stated that the firm failed to establish and maintain a supervisory system, including written supervisory procedures (WSPs), reasonably designed to comply with its trade reporting obligations for short sales. While the firm conducted supervisory reviews designed to detect inaccuracies in its short sale reporting, those reviews only included the firm's media-reported trade reports. The firm had no supervisory reviews in place to determine whether it accurately reported its non-tape, clearing-only regulatory reports to the TRFs. The firm later remediated this issue. ([FINRA Case #2016048687501](#))

**HSBC Securities (USA) Inc. ([CRD #19585](#), New York, New York)**

June 10, 2022 – An AWC was issued in which the firm was censured and fined \$19,197. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to take reasonable steps to ensure that intermarket sweep orders (ISOs) it routed to certain market centers met the requirements set forth in Rules 600(b)(30) and 600(b)(31) of Regulation

National Market System (NMS) of the Exchange Act. The findings stated that when the firm routed orders to various exchanges that it marked as ISOs, technical issues with its vendor's smart order router resulted in the firm not recognizing, and then routing additional ISOs necessary to execute against, protected quotes displayed by certain market centers. As a result, the firm sent ISOs that were priced through other market centers' protected liquidity because the firm did not route the additional ISOs necessary to execute against those protected quotes. The firm's vendor later resolved the technical issues in its smart order router system. The findings also stated that the firm's supervisory system was not reasonably designed to comply with Rule 611 of Regulation NMS. The firm had no reviews or procedures to establish that ISOs it routed to comply with Rules 600(b)(30) and 600(b)(31) by executing against protected quotations were sent and received by all necessary venues, on a timely basis, for the correct size and price. Because of these supervisory deficiencies, the firm failed to detect and timely remediate the technical issues with its vendor's smart order router that caused the firm to route ISOs that were priced through market centers' protected quotations. The firm has since remediated these deficiencies. ([FINRA Case #2019063432006](#))

**Insight Securities, Inc. ([CRD #5611](#), Highland Park, Illinois)**

June 10, 2022 – An AWC was issued in which the firm was censured and fined \$50,000. FINRA considered, among other things, the firm's size and financial resources in determining this fine.

Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to capture, review and retain thousands of business-related electronic communications sent and received through its representatives' personal cellular telephones via an instant messaging application. The findings stated that the firm's written procedures prohibited the use of instant messages for business purposes unless the firm granted an individual permission to use them. However, the firm never granted anyone permission to send or receive instant messages for business purposes. Nonetheless, the firm had no procedures to ensure that its representatives were complying with this prohibition and no procedures for capturing, reviewing, or retaining business related communications sent or received via instant message. In fact, the firm was aware that multiple representatives were communicating with their customers via an instant messaging app and that these communications were often business-related. Yet, the firm failed to take any action to either stop this practice or capture, review and retain business-related communications sent or received in this manner. The messages were business-related in that they included information about customers' accounts, investments, or other aspects of the firm's securities business. ([FINRA Case #2018059661001](#))

**United Planners' Financial Services of America A Limited Partner ([CRD #20804](#), Scottsdale, Arizona)**

June 17, 2022 – An AWC was issued in which the firm was censured, fined \$40,000 and ordered to pay \$37,125, plus interest, in partial restitution to customers. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it negligently omitted to tell investors in an offering that the issuer failed to timely make required filings with the SEC, including filing audited financial statements. The findings stated that while the firm received an email notifying it that the delivery of the issuer's audited financial statements would be delayed pending the completion of a forensic audit, the firm sold limited partnership interests in the offering after that announcement. The principal value of the sales totaled \$450,000 and the firm received a total of \$37,125 in commissions from the sales. In connection with these sales, however, firm representatives did not inform customers that the issuer had not timely filed its audited financial statements with the SEC or the reasons for the delay. The delay in filing audited statements was material information that should have been disclosed. ([FINRA Case #2018060895501](#))

**McDonald Partners LLC ([CRD #135414](#), Cleveland, Ohio)**

June 22, 2022 – An AWC was issued in which the firm was censured, fined \$100,000, ordered to pay \$170,000, plus interest, in partial restitution to customers and required to certify that it will not resume sales of private placement offerings unless and until it has implemented supervisory systems and WSPs for due diligence on private placement offerings that are reasonably designed to achieve compliance with the Exchange Act 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 conduct reasonable due diligence of a private placement offering before approving it to be sold to firm customers. The findings stated that the firm agreed to consider becoming the placement agent for a private placement offering in an investment fund that was formed for the primary purpose of investing in a cannabis company, despite suspending consideration of new private placement offerings after identifying a need for improvement in its related supervisory procedures. The firm only reviewed the limited documents and information that the issuer provided. However, it did not verify that the issuer had purchased convertible debt from the company. The firm also failed to review the loans that financed those purchases or identify the lenders. In addition, although the success of the offering would primarily be based on the company's performance, the firm did not reasonably consider serious concerns about the company's business prospects that it previously identified. Further, the firm failed to identify and investigate potential red flags associated with the private placement memorandum for the offering. Nonetheless, the firm approved the sale of the offering to firm customers

and acted as the sole placement agent selling interests in the offering. The firm recommended that customers purchase a total of \$4.25 million in interests in the offering and the issuer paid the firm \$170,000 in commissions for these sales. The findings also stated that the firm willfully violated Rule 10b-9 of the Exchange Act by participating as placement agent for a contingency offering that failed to disclose a specified date by which the contingency had to be achieved and by allowing non-bona fide investments to satisfy the requirements of a contingency offering. Neither the issuer nor the firm ever provided any other document or information to prospective investors that specified a deadline for satisfying the contingency. In addition, the firm tacitly permitted the issuer to use non-bona fide funds to satisfy the contingency. When the firm had sold only \$4.4 million of the offering, one of the firm's registered representatives informed the firm that two individuals had invested a total of \$700,000 in the offering in the form of converted debt, which purportedly satisfied the issuer's contingency provision. The firm did not request or receive any information about these other investors, and thus did not learn that the investments were not bona fide sales. The investors were affiliates of the issuer –two co-founders of the company who had loaned \$4 million to the issuer. Moreover, these two investors were allowed to convert their debt rather than invest new funds and the terms of their investment in the offering were materially different from (and more favorable than) the terms offered in the private placement memorandum to the firm's customers. Because the firm failed to object to the use of non-bona fide investments, the issuer disbursed \$4,172,794 in investor funds, including \$170,000 to the firm. The findings also included that the firm conducted a securities business while failing to maintain its minimum net capital requirement. The firm was below its minimum net capital requirement by approximately \$180,000 due to it improperly treating a receivable from its owner, which it characterized as a capital infusion intended to prevent the firm from going under its minimum net-capital requirement, as allowable. Because the receivable was merely a book entry and not an actual cash deposit, however, it was non-allowable. ([FINRA Case #2019060692401](#))

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

June 29, 2022 – An AWC was issued in which the firm was censured, fined \$2.8 million and required to certify that it has corrected the ongoing confirmation issue described in the AWC and implement a supervisory system, including WSPs, reasonably designed to achieve compliance with Exchange Act Rule 10b-10 and FINRA Rule 2232. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it inaccurately disclosed its execution capacity, the customer price, or whether the trade was executed on an average price on an estimated 245.4 million confirmations and also recorded an inaccurate market center of execution on an estimated 24.8 million confirmation records. The findings stated that these inaccuracies were caused by underlying issues, each of which

persisted for periods ranging from five-and-a-half years to 12 years. These issues included separate programming issues that collectively caused incorrect capacities, a disclosure drafting error that resulted in inaccurate capacities, a configuration issue that caused incorrect customer prices, a coding change that caused incorrect market centers, and a misunderstanding of regulatory guidance that caused the firm to incorrectly identify trades effected in single executions at single prices as average price executions. The findings also stated that the firm failed to reasonably supervise its compliance with confirmation requirements. The firm failed to take reasonable steps to timely act upon certain red flags of potential confirmation deficiencies. In addition, the firm had no supervisory system to review whether its confirmations complied with applicable SEC and FINRA requirements. Due to two FINRA examinations, the firm knew about several of the systemic confirmation accuracy issues and that it had no WSPs related to confirmations. Almost a year later, the firm established a system and procedures to monitor only whether confirmations were delivered but not whether they were accurate. Following another examination, FINRA notified the firm that its WSPs failed to include a review of the accuracy of its confirmations. The firm later established a supervisory system and WSPs to review the accuracy of its confirmations. The system, which remains in place at the firm today, involves a quarterly review of 18 equities confirmations, including one cash trade confirmation from each of the firm's unique client order flows. Given that the sample does not account for the different trading scenarios within each client order flow, as well as the fact that the firm issues more than 10 million customer confirmations per quarter for equities transactions, the firm's review of 18 confirmations per quarter does not reasonably assess its compliance with confirmation requirements. The findings also included that the firm failed to establish and maintain a supervisory system, including written procedures, reasonably designed to achieve compliance with Rule 605 of Regulation NMS. The firm's procedures did not require, nor did the firm otherwise conduct, a supervisory review of whether the third-party vendor that produced its Rule 605 reports calculated its statistics in compliance with Rule 605. The firm's procedures also did not require, nor did the firm otherwise conduct, a supervisory review of whether the vendor categorized the firm's orders in compliance with Rule 605. The firm began reviewing the vendor's order categorizations but reviewed too small a sample to reasonably assess for compliance with Rule 605. Although the firm's Rule 605 reports included hundreds of millions of covered orders, the firm reviewed only 45 covered orders. ([FINRA Case #2015044227201](#))

**T.R. Winston & Company, LLC ([CRD #10571](#), Bedminster, New Jersey)**

June 29, 2022 – An AWC was issued in which the firm was censured, fined a total of \$75,000, of which \$37,500 is payable to FINRA, ordered to pay disgorgement in the total amount of \$50,000, of which \$25,000 is payable to FINRA and required to review and revise its supervisory system, including its WSPs, with respect to the deficiencies described in the AWC concerning the firm’s supervision for potential violations of Rule 101 of Regulation M of the Exchange Act . 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, including WSPs, that was reasonably designed to achieve compliance with Rule 101 of Regulation M. The findings stated that the firm used a committee comprised of senior personnel to determine whether it would become engaged as a distribution participant in public offerings. The committee was responsible for notifying the compliance department and relevant supervisors once it approved the firm’s engagement as a distribution participant. The compliance department was then required to add the subject security to a restricted list, which was posted on a bulletin board in the firm’s trading room in its headquarters. A hard copy of the restricted list was also retained by a single employee in the firm’s compliance department. The firm’s practice of posting the restricted list on a bulletin board only in the firm’s trading room at its headquarters was not a reasonable method to notify all relevant personnel. Among other things, the firm’s branch-office personnel did not have access to the bulletin board and therefore may not have been aware of the restricted securities. In addition, the firm’s WSPs failed to identify any supervisor or supervisors responsible for achieving compliance with Rule 101 and failed to set forth how the firm would identify any improper trading in restricted securities. In practice, no firm supervisor distributed the restricted list to the firm’s other branch offices, reviewed trading activity in restricted securities at branch offices, and the firm had no surveillance system or other method to identify improper trading in restricted securities at its branch offices. In at least one instance, a firm employee unilaterally assessed the application of Rule 101 to a rights offering without any involvement by the committee or supervisory oversight. As a result, the firm acted as a distribution participant in a rights offering, the compliance department and relevant supervisors were not notified of the engagement, and the offering security was not placed on the firm’s restricted list. In addition, the firm did not conduct supervisory reviews of the firm’s or its employees’ trading in the subject security. The firm and the same employee effected transactions in the security, improperly profiting \$50,000 each. ([FINRA Case #2015047957001](#))



## Individuals Barred

### **Ann Marie Box ([CRD #1662151](#), Plano, Texas)**

June 7, 2022 – An AWC was issued in which Box was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Box consented to the sanction and to the entry of findings that she refused to provide information and documents requested by FINRA. ([FINRA Case #2021070501001](#))

### **Liliana Maria Paz-Franco ([CRD #5235568](#), Tampa, Florida)**

June 9, 2022 – An AWC was issued in which Paz-Franco was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Paz-Franco consented to the sanction and to the entry of findings that she refused to produce information and documents requested by FINRA in connection with its investigation into the circumstances giving rise to a Uniform Termination Notice for Securities Industry Registration (Form U5) filed by her member firm. The findings stated that the Form U5 disclosed that the firm had discharged Paz-Franco due to concerns that she submitted transactions under production numbers that were inconsistent with an agreement with another representative resulting in a shortfall of revenue credited to the other representative. ([FINRA Case #2021071858501](#))

### **Anthony Baker Liddle ([CRD #5478479](#), Wausau, Wisconsin)**

June 14, 2022 – An AWC was issued in which Liddle was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Liddle consented to the sanction and to the entry of findings that he refused to produce information and documents and to appear for on-the-record testimony requested by FINRA in connection with its investigation into allegations that Liddle borrowed more than \$1.8 million from customers while he was associated with two member firms. ([FINRA Case #2021071099401](#))

### **Charles Ronald Baker ([CRD #10600](#), Lubbock, Texas)**

June 15, 2022 – An AWC was issued in which Baker was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Baker consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with its investigation into whether he engaged in potential unsuitable and discretionary trading in customer accounts. ([FINRA Case #2019062948101](#))

### **Cynthia La Rosa ([CRD #2459459](#), Yorktown Heights, New York)**

June 16, 2022 – An AWC was issued in which La Rosa was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, La Rosa consented to the sanction and to the entry of findings that in response to FINRA's requests for documents and information served on her member firm, she



created false documents indicating that certain reports had been reviewed, when they had not, and caused them to be produced to FINRA. The findings stated that FINRA served the firm with requests seeking, among other items, certain trade-related exception reports and evidence of review of those reports. As a member of the firm's trade compliance team, La Rosa was among those responsible for preparing certain portions of the firm's responses to FINRA's requests. La Rosa created documents indicating that she or others had reviewed certain reports generated by the firm and by third parties for the firm even though she knew she and other firm compliance personnel had not conducted any such review and knew the documents would be produced to FINRA. ([FINRA Case #2020066079901](#))

**Cesar Ricardo Alfonzo ([CRD #6817711](#), Miami, Florida)**

June 17, 2022 – An AWC was issued in which Alfonzo was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Alfonzo consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA after his member firm filed a Form U5 stating that it had discharged him after an internal investigation concluded he did not have an outside business at the time he applied for and received a U.S. Small Business Administration (SBA) loan. ([FINRA Case #2021071964901](#))

**Gene Thomas Mancinelli ([CRD #1590679](#), Massapequa Park, New York)**

June 17, 2022 – An AWC was issued in which Mancinelli was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Mancinelli consented to the sanction and to the entry of findings that he failed to appear for on-the-record testimony requested by FINRA after his member firm filed a Statement of Claim with FINRA Dispute Resolution against customers of the firm. ([FINRA Case #2021070418201](#))

**Allison Renee Shafer ([CRD #6816140](#), Morgantown, West Virginia)**

June 17, 2022 – An AWC was issued in which Shafer was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Shafer 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 review of the circumstances giving rise to the Non-Registered Fingerprint Amendment filed by her member firm that reported that she had been terminated from the firm. ([FINRA Case #2021072548701](#))

**Jonathan Craig Rich ([CRD #2271478](#), Flanders, New Jersey)**

June 22, 2022 – An AWC was issued in which Rich was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Rich consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with its investigation

into offerings underwritten by his member firm and the firm's conduct during the associated restricted periods and in the immediate aftermarket. The findings stated that the request for testimony related to Rich's role, as head of investment banking, in connection with solicitation of aftermarket orders during the offerings' restricted periods and his supervision of the firm's representatives for compliance with Regulation M. ([FINRA Case #2019061652403](#))

**Neil Walter Koch ([CRD #4800437](#), Minneapolis, Minnesota)**

June 28, 2022 – An AWC was issued in which Koch was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Koch consented to the sanction and to the entry of findings that he refused to provide documents and information requested by FINRA during the course of an investigation that originated after his member firm filed a Form U5 disclosing that it had discharged him for violation of the company's code of conduct related to conduct outside the firm. ([FINRA Case #2022074162901](#))

**James Anthony Parrelly ([CRD #728368](#), Dearborn, Michigan)**

June 28, 2022 – An AWC was issued in which Parrelly was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Parrelly 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 regarding his potential use of his personal email address to conduct securities business, in violation of his member firm's WSPs. ([FINRA Case #2020067338101](#))

**Matthew R. Logan ([CRD #5366984](#), Braintree, Massachusetts)**

June 29, 2022 – Logan appealed a National Adjudicatory Counsel (NAC) decision to the Securities and Exchange Commission (SEC). Logan was barred from association with any FINRA member in all capacities. The NAC affirmed the findings and sanctions imposed by the Office of Hearing Officers (OHO). The sanction was based on the findings that Logan acted unethically by using an imposter to cheat on the FINRA Regulatory Element and non-FINRA continuing education courses, including an ethics continuing education course, an anti-money laundering (AML) continuing education course and a processing checks and securities training. The findings stated that Logan instructed an office administrative assistant to take the continuing education courses on his behalf and she did so by using Logan's login credentials. Further, Logan forwarded an email reminder that he received from his member firm reminding him of the requirement to take the Regulatory Element by a certain date to the assistant. As a result, the assistant completed the Regulatory Element on Logan's behalf by using his credentials to log in to FINRA's Continuing Education Online System (CE Online). After the assistant completed Logan's Regulatory Element training, Logan received an email from FINRA that included his completion certificate,

which Logan forwarded to her for printing. It was Logan's understanding that the assistant would provide the certificate to the firm's compliance department as proof that Logan had completed the course himself. The findings also stated that Logan lied about his misconduct to his firm's parent company, where he held the position of life insurance sales manager. In an interview with the head of the firm's special investigation unit, Logan stated that the assistant may have completed an AML course for him but denied asking her to complete the Regulatory Element and other continuing education requirements on his behalf. Logan falsely stated that he would ask the assistant to initiate training for him. Logan explained that initiate training meant that the assistant would sign him into online training portals on her computer so that he could complete continuing education courses from that computer. The head of the firm's special investigation unit read aloud to Logan emails between him and the assistant concerning the Regulatory Element. In response, Logan again denied that he asked the assistant to complete this course for him.

The bar is in effect pending review. ([FINRA Case #2019063570502](#))

## Individuals Suspended

### **Letisha L. Clarke-Ekwunife (CRD #6621090, Chicago, Illinois)**

June 6, 2022 – An AWC was issued in which Clarke-Ekwunife was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Clarke-Ekwunife consented to the sanctions and to the entry of findings that she engaged in an outside business activity (OBA) without providing prior written notice to her member firm. The findings stated that Clarke-Ekwunife formed and co-managed a photography and disc jockey business. During that time, Clark-Ekwunife filed tax returns and corporate documents on behalf of the business. Moreover, the business generated revenue, which Clarke-Ekwunife reinvested into its operations. The findings also stated that Clarke-Ekwunife falsely attested in two annual compliance questionnaires provided to the firm that she had not engaged in any undisclosed OBAs.

The suspension was in effect from June 6, 2022, through August 5, 2022. ([FINRA Case #2020068502001](#))

### **Vanessa Koliver (CRD #6804444, Miami Beach, Florida)**

June 6, 2022 – An AWC was issued in which Koliver was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Koliver consented to the sanctions and to the entry of findings that she possessed unauthorized materials while taking the General Securities Representative (Series 7) examination. The

findings stated that prior to the examination, Koliver attested that she had read and would abide by the FINRA Qualification Examination Rules of Conduct, which among other things, prohibits the use or attempted use of personal notes and study materials during the exam and also requires candidates to store all personal items in the locker provided by the test vendor prior to entering the test room. During the exam, Koliver possessed personal notes containing test-related material.

The suspension is in effect from June 6, 2022, through December 5, 2023. ([FINRA Case #2020068754301](#))

**Jorge Antonio Sonville ([CRD #2558540](#), Miami, Florida)**

June 7, 2022 – An AWC was issued in which Sonville was fined \$5,000 and suspended from association with any FINRA member in all capacities for six weeks. Without admitting or denying the findings, Sonville consented to the sanctions and to the entry of findings that he loaned money to a customer without disclosing it to his member firm or seeking the firm’s written approval. The findings stated that Sonville loaned \$65,000 to the customer to assist the customer in paying personal expenses. At the time of the loan, the firm’s procedures prohibited representatives from loaning money to customers. In addition, Sonville completed and submitted to the firm a compliance questionnaire in which he falsely stated that he had not loaned money to any customers.

The suspension is in effect from July 5, 2022, through August 15, 2022. ([FINRA Case #2020068256101](#))

**Nicholas Lee Ash ([CRD #6244799](#), Overland Park, Kansas)**

June 8, 2022 – An AWC was issued in which Ash was fined \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Ash consented to the sanctions and to the entry of findings that he engaged in OBAs without providing prior written notice to his member firm. The findings stated that Ash became a 12.5 percent owner of a limited liability company that purchased and operated rental properties. Ash performed repair and maintenance work on the properties. Ash co-owned the limited liability company with three family members. Two of the co-owners were also registered representatives at the firm who collectively owned 75 percent of the limited liability company and who caused the limited liability company to buy certain properties from, and to lease certain properties to, firm customers. Ash did not disclose this OBA to the firm until nearly one year after becoming a partial owner in the limited liability company. Prior to disclosing this OBA, Ash received approximately \$1,500 in profit and compensation in connection with the limited liability company. In addition, Ash worked as an independent contractor for another real estate business that was owned and controlled by one of the limited liability company’s owners. The real

estate company owned a rental property and leased it to another firm customer. On three occasions, Ash completed repair and maintenance projects for the real estate company in exchange for compensation totaling approximately \$500. However, Ash did not disclose this activity to the firm, and the firm only learned about the activity after FINRA commenced an investigation.

The suspension is in effect from July 5, 2022, through September 4, 2022. ([FINRA Case #2020068668803](#))

**Tameem Habib ([CRD #5507746](#), Winnetka, California)**

June 9, 2022 – An AWC was issued in which Habib was assessed a deferred fine of \$2,500 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Habib consented to the sanctions and to the entry of findings that he made negligent misrepresentations in a loan application he submitted to the SBA to obtain an Economic Injury Disaster Loan. The findings stated that Habib applied to the SBA for the loan on behalf of a car service business he intended to operate as a sole proprietorship. Habib failed to carefully review the application before submitting it to the SBA. In his application, Habib negligently misrepresented that his business had earned revenue between certain dates, when, in fact, it had not. Based on Habib's negligent misrepresentation, the SBA approved his application and separately approved Habib for a \$1,000 advance payment. Before Habib received the balance of the loan, he sought approval from his member firm to conduct his OBA, but the firm denied his request. Thereafter, Habib withdrew his loan application without signing a loan agreement with the SBA. To date, Habib has not repaid the \$1,000 to the SBA.

The suspension is in effect from June 21, 2022, through August 20, 2022. ([FINRA Case #2020068652401](#))

**Walter Waitak Light ([CRD #1494331](#), Alameda, California)**

June 9, 2022 – An AWC was issued in which Light 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, Light consented to the sanctions and to the entry of findings that he exercised discretion in customer accounts without their prior written authorization and without his member firm having accepted any of the accounts as discretionary. The findings stated that the customers knew that Light was exercising discretion in their accounts.

The suspension was in effect from June 21, 2022, through July 20, 2022. ([FINRA Case #2021069366701](#))

**Sam Shehu (CRD #2486647, Southbury, Connecticut)**

June 9, 2022 – An AWC was issued in which Shehu was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Shehu consented to the sanctions and to the entry of findings that he electronically signed his registered representative partner's name on multiple forms, including new account applications and discretionary authority agreements. The findings stated that when Shehu's partner was unavailable, he would electronically sign for his partner and submit the documents to his member firm. Although Shehu believed he had permission to sign documents on behalf of his partner, he failed to alert the firm he was doing so and falsified his partner's signature on dozens of documents. After the firm began investigating his falsifications, Shehu asked his partner to falsely claim that he had electronically signed the documents. Shehu also falsely stated on two compliance questionnaires that he had not signed another person's signature on a document.

The suspension is in effect from June 21, 2022, through August 20, 2022. ([FINRA Case #2020068101001](#))

**Ramiro Luis Colon III (CRD #1868710, Coral Gables, Florida)**

June 14, 2022 – An AWC was issued in which Colon was fined \$5,000 and suspended from association with any FINRA member in all capacities for 30 days. Without admitting or denying the findings, Colon consented to the sanctions and to the entry of findings that he caused his member firm to maintain incomplete books and records. The findings stated that Colon used an unapproved third-party communication application to communicate with a firm customer about securities-related business without authorization from his firm to do so, and the firm did not preserve or capture any such communications.

The suspension was in effect from July 5, 2022, through August 3, 2022. ([FINRA Case #2020066275801](#))

**Victor Andrew Morales (CRD #6552148, Newhall, California)**

June 15, 2022 – An AWC was issued in which Morales 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, Morales consented to the sanctions and to the entry of findings that he engaged in an undisclosed OBA without providing prior notice, written or otherwise, to his member firm. The findings stated that Morales owned a towing and transportation business that he operated as a sole proprietorship and received compensation from. Morales falsely attested in annual compliance questionnaires provided to the firm that he had not engaged in any unapproved OBAs. The findings also stated that Morales made negligent misrepresentations in a loan application and loan agreement he submitted to the SBA to obtain an Economic Injury Disaster Loan on behalf of his transport business.

However, Morales failed to carefully review the loan application before submitting it and negligently overstated in his application the amount of gross revenue his transport business had generated. Based on Morales' misrepresentation, the SBA approved his loan application, and separately approved him for an advance payment. Before Morales received the loan and advance, he signed a loan agreement with the SBA, affirming that the representations in his loan application were correct. Morales did not review the information he had provided in the loan application prior to certifying its accuracy. The SBA provided Morales with a \$16,500 loan and \$10,000 advance, both of which he has since repaid in full.

The suspension is in effect from June 21, 2022, through September 20, 2022. ([FINRA Case #2020068693101](#))

**Manuel Paul Ramos ([CRD #4085247](#), Brooklyn, New York)**

June 15, 2022 – An AWC was issued in which Ramos was fined \$7,500, suspended from association with any FINRA member in all capacities for 30 days and ordered to pay \$3,871.43, plus interest, in restitution to customers. Without admitting or denying the findings, Ramos consented to the sanctions and to the entry of findings that he charged excessive commissions in proceed transactions in customer accounts. The findings stated that Ramos had discretion at his member firm to determine the commissions he charged customers on each or both legs of any equity trade. Ramos charged total commissions from 5.04 percent to 8.53 percent (inclusive of firm-imposed ticket charges) for multiple proceeds transactions in customer accounts, resulting in \$3,871.43 of unreasonable commissions. All transactions involved the stock of highly liquid, well-established, publicly traded companies, and Ramos had no justification for the high commissions he charged.

The suspension was in effect from July 5, 2022, through August 3, 2022. ([FINRA Case #2018058945301](#))

**Denise Simone Sobczak ([CRD #3078128](#), Wallington, New Jersey)**

June 15, 2022 – An AWC was issued in which Sobczak was fined \$5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Sobczak consented to the sanctions and to the entry of findings that she forged signatures on her member firm's documents. The findings stated that Sobczak forged firm documents by cutting and pasting customers' initials and signatures from previous documents onto new documents and by cutting and pasting her branch manager's signature on firm documents. Sobczak's branch manager did not give prior permission for the use of his signature. Although Sobczak's customers did not give prior permission for the use of their initials or signatures, they authorized the activity set forth on the forms in question. The findings also stated that Sobczak falsified firm documents by obtaining the customers' signatures on blank or incomplete documents. After the customers



initialed or signed the blank or incomplete forms, Sobczak added and/or corrected previously missing or incorrect information without having the customer re-execute the form. Although Sobczak falsified the documents in question, the customers authorized the underlying activity. The findings also included that by forging and falsifying the new account forms and other documents, Sobczak caused the firm to maintain inaccurate books and records.

The suspension is in effect from July 5, 2022, through October 4, 2022. ([FINRA Case #2020068283601](#))

**Alberto Jose Vargas ([CRD #4195928](#), Lexington, Virginia)**

June 16, 2022 – An AWC was issued in which Vargas was assessed a deferred fine of \$7,500 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Vargas consented to the sanctions and to the entry of findings that he partnered with an unregistered person to sell variable universal life insurance policies (VULs). The findings stated that Vargas permitted the unregistered person, who was employed by an insurance company with which Vargas was also affiliated, to meet with his customers to solicit the purchase of VULs. In turn, Vargas passed on the commissions from those transactions, approximately \$35,000, to the unregistered person. In addition, Vargas falsely attested on annual compliance questionnaires that he had not shared commissions from any securities transaction with an unregistered person. The findings also stated that Vargas caused his member firm's books and records to be inaccurate when he submitted inaccurate new account forms to his firm that identified Vargas as the broker of record even though he had no role in soliciting the purchases, including false attestations that Vargas had reviewed each VUL transaction for completeness, accuracy, and suitability.

The suspension is in effect from June 21, 2022, through September 20, 2022. ([FINRA Case #2019064729706](#))

**George N. Farah ([CRD #6327762](#), Bakersfield, California)**

June 17, 2022 – An AWC was issued in which Farah was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for five months. Without admitting or denying the findings, Farah consented to the sanctions and to the entry of findings that he forged his insurance customer's signature on two documents without the customer's knowledge or authorization. The findings stated that Farah conducted an insurance business through his approved OBA and sold a life insurance policy to his family member. After the policy was cancelled for non-payment, the insurance company owed the customer a \$433.87 refund and mailed a check in that amount to her address of record. When the insurance company subsequently notified Farah, the agent of record on the policy, that the refund had never been cashed, he, without the customer's authorization or

knowledge, signed the customer's name on an insurance company request form to have the check re-issued and on the re-issued check itself so that the funds could be transferred to the customer.

The suspension is in effect from June 21, 2022, through November 20, 2022. ([FINRA Case #2020067765701](#))

**Igor Peter Kislitsa ([CRD #6324794](#), Folsom, California)**

June 17, 2022 – An AWC was issued in which Kislitsa was suspended from association with any FINRA member in all capacities for nine months. In light of Kislitsa's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Kislitsa consented to the sanction and to the entry of findings that he untimely responded to FINRA's requests for documents and information in connection with its investigation into statements in his Form U5. The findings stated that Kislitsa's member firm filed a Form U5 stating that the firm discharged Kislitsa because he admitted to completing two securities applications without those customers being present. More than a year later, Kislitsa untimely responded to the requests.

The suspension is in effect from June 21, 2022, through March 20, 2023. ([FINRA Case #2020067014603](#))

**Brian F. Donnelly ([CRD #4288121](#), Pine Brook, New Jersey)**

June 21, 2022 – An AWC was issued in which Donnelly was suspended from association with any FINRA member in all capacities for four months. In light of Donnelly's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Donnelly consented to the sanction and to the entry of findings that he participated in a private securities transaction by facilitating the sale of \$250,000 of a security to a customer without providing prior written notice to his member firm. The findings stated that Donnelly introduced the customer to the president of a company seeking investments in limited partnership units. After making the initial introduction, Donnelly provided to the customer the private placement memorandum for the investment and a presentation about the company. Donnelly also discussed with the company how the customer should make payment. Thereafter, the customer invested \$250,000 in the company. Even after the customer made his investment in the company, Donnelly continued to act as an intermediary between the customer and the company. Donnelly did not receive any commissions or other compensation for his activities. Donnelly's participation in the transaction was outside the regular course and scope of his employment with the firm. The findings also stated that Donnelly used his personal email account to communicate with the customer about securities transactions and used text messaging on his personal cell phone to communicate with another firm customer about securities transactions, including the liquidation of several securities that the

customer held at the firm. Donnelly did not forward his emails or text messages to the firm for review or retention. As a result, Donnelly caused the firm to fail to retain the emails and text messages among its books and records.

The suspension is in effect from July 5, 2022, through November 4, 2022. ([FINRA Case #2021071491001](#))

**Thomas Michael Hallberg** ([CRD #3053755](#), Forest Lake, Minnesota)

June 21, 2022 – An AWC was issued in which Hallberg was fined \$5,000 and suspended from association with any FINRA member in all capacities for 10 business days. Without admitting or denying the findings, Hallberg consented to the sanctions and to the entry of findings that he exercised discretion to effect trades in a customer account. The findings stated that although the customer knowingly permitted Hallberg to exercise discretion, he did not have the customer's written authorization or his member firm's acceptance to trade the accounts on a discretionary basis. To the contrary, the firm did not permit the use of discretion in accounts at the firm.

The suspension was in effect from July 18, 2022, through July 29, 2022. ([FINRA Case #2020066756101](#))

**Jeffrey Martin** ([CRD #3268675](#), South Dartmouth, Massachusetts)

June 22, 2022 – An AWC was issued in which Martin 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, Martin consented to the sanctions and to the entry of findings that he caused his member firm to maintain inaccurate books and records by changing the representative code for trades, causing the trade confirmations to show an inaccurate representative code. The findings stated that Martin entered into an agreement through which he agreed to service certain customer accounts, including executing trades for those accounts, under multiple joint representative codes that he shared with a retired representative. The agreement set forth what percentages of the commissions Martin and the retired representative would earn on trades placed using each joint representative code. Although the firm's system correctly prepopulated the trades with the assigned joint representative code for the account, Martin changed the code for the trades to a different joint representative code under which he received a higher commission percentage, and the retired representative received a lower percentage, than each would have received had Martin used the correct representative code. Martin spoke to the retired representative on a regular basis and mistakenly believed that the retired representative had agreed to the changes. The firm has since paid restitution to the retired representative.

The suspension was in effect from July 5, 2022, through July 25, 2022. ([FINRA Case #2021071562601](#))

**James Patrick Norris ([CRD #1218218](#), Rochester, New York)**

June 23, 2022 – An AWC was issued in which Norris was fined \$2,500 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Norris consented to the sanctions and to the entry of findings that he made private mortgage loans in the total amount of \$174,533 to customers of his member firm without seeking or obtaining prior written approval from the firm. The findings stated that the firm's written procedures permitted registered persons to borrow money from or lend money to firm customers in limited circumstances and only with the firm's prior approval. While the loans were documented through loan agreements, were commercially reasonable, and recorded with the county clerk, Norris did not seek or obtain preapproval from the firm.

The suspension is in effect from July 18, 2022, through August 17, 2022. ([FINRA Case #2019063245602](#))

**Kenneth Lawrence Spielman ([CRD #2503634](#), Saint James, New York)**

June 23, 2022 – An AWC was issued in which Spielman was fined \$2,500 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Spielman consented to the sanctions and to the entry of findings that he participated in undisclosed, unapproved OBAs. The findings stated that Spielman incorporated a company for the purpose of purchasing a marina and acted as the company's secretary and treasurer. Spielman, along with several other individuals, then purchased a marina through the company and participated in operating the marina. Spielman expected compensation as a result of sharing the profits from operating the marina and eventually selling it. After forming the company and purchasing the marina, Spielman requested approval from his member firm to participate in these OBAs. The firm did not initially approve Spielman's OBAs and requested that Spielman provide additional information. Spielman did not immediately provide the information requested but continued to participate in his unapproved OBAs prior to submitting the information. The firm ultimately approved Spielman's OBAs involving the marina.

The suspension is in effect from July 18, 2022, through August 17, 2022. ([FINRA Case #2020068090201](#))

**Patrick Reid Murray ([CRD #2007449](#), Vermilion, Ohio)**

June 24, 2022 – An AWC was issued in which Murray 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, Murray consented to the sanctions and to the entry of findings that he engaged in an OBA without providing prior written notice to, or obtaining approval from, his member firm. The findings stated that Murray and two other individuals established a company to buy and sell rock salt. Murray made capital contributions to the company and made at least

one vendor payment on behalf of the company by wiring more than \$1 million from his personal account directly to the vendor. Murray also earned approximately \$78,704 in compensation from his activities related to his OBA. In addition, Murray inaccurately certified that he was in compliance with the firm's WSPs relating to OBAs.

The suspension was in effect from July 5, 2022, through August 4, 2022. ([FINRA Case #2020065748801](#))

**Gregory Jon Andrews ([CRD #5858207](#), Irvine, California)**

June 28, 2022 – An AWC was issued in which Andrews was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Andrews consented to the sanctions and to the entry of findings that he engaged in OBAs that he did not fully disclose to his member firm. The findings stated that at the time Andrews joined the firm, he orally disclosed that he was the owner and principal of a company that engaged in solar energy project development. Andrews submitted a written OBA disclosure form to the firm that stated that, through his outside

business, he would provide chief financial officer duties, management consulting and project development for renewable energy, transportation, and pipeline projects. The firm approved the outside business as Andrews described it. Further, Andrews provided consulting services to a technology start-up company and solicited work from a second technology start-up company through the solar energy project development company. Neither of the technology start-ups were involved with renewable energy, transportation, or pipeline projects. Andrews expected, but did not receive, compensation for this work. The services Andrews provided, and solicited providing, were consistent with the kinds of services he was expected to perform through the firm. Andrews did not adequately disclose his activities to the firm or otherwise update or amend his OBA disclosure form.

The suspension is in effect from July 5, 2022, through September 4, 2022. ([FINRA Case #2020067052701](#))

**Paul Charles DeMark ([CRD #1400019](#), Washington Township, Michigan)**

June 28, 2022 – An AWC was issued in which DeMark was fined \$7,500 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, DeMark consented to the sanctions and to the entry of findings that he submitted falsified documents that caused his member firm's books and records to be inaccurate. The findings stated that DeMark submitted, or caused to be submitted, disbursement forms that

inaccurately identified a customer, a deceased trustee, (or his son with a similar name) as having been the person who had authorized the disbursement. In fact, the disbursement had been authorized by a separate individual, the successor trustee.

The suspension is in effect from July 18, 2022, through September 17, 2022. ([FINRA Case #2019061974501](#))

## 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 these allegations in the complaint.

**Suzanne Marie Capellini** ([CRD #1357703](#), New York, New York)

June 1, 2022 – Capellini was named a respondent in a FINRA complaint alleging that she, as her member firm's AML compliance officer, failed to establish and implement AML policies and procedures that could be reasonably expected to detect and cause the reporting of suspicious activity in microcap securities and to achieve compliance with the Bank Secrecy Act and the implementing regulations thereunder by the Department of the Treasury. The complaint alleges that the firm did not have a reasonable system for identifying potentially suspicious activity in microcap securities and its AML policies and procedures did not provide guidance about how to identify or address red flags of such activity. As a result, Capellini failed to take reasonable steps to detect and investigate potentially suspicious activity in a firm account controlled by one of her family members, including a pattern of depositing physical certificates of microcap securities and then promptly selling the shares and wiring the proceeds out of the account. In addition, Capellini failed to consider whether this activity necessitated the filing of a Suspicious Activity Report. The complaint also alleges that Capellini provided false or misleading information to FINRA in connection with its request for the firm to produce due diligence inquiries that it made to determine the free trading basis of certain of a customer's microcap securities. Capellini produced to FINRA numerous documents she represented were included in the firm's due diligence files when, in fact, they were not. Capellini only obtained these documents after she had received FINRA's request for documents and information. ([FINRA Case #2020066627202](#))

**Daniel T. Minich ([CRD #6465746](#), Bradford, Pennsylvania)**

June 6, 2022 – Minich was named a respondent in a FINRA complaint alleging that he participated in three private securities transactions totaling approximately \$200,000 without providing prior written notice to his member firm. The complaint alleges that Minich personally invested \$50,000 in a hedge fund that purported to invest in cryptocurrency. In return for his investment, he received a limited partnership interest in the hedge fund. In addition, Minich facilitated and assisted two firm customers with investing a combined total of \$150,000 into the same hedge fund in return for limited partnership interests in the fund. The complaint also alleges that Minich falsely certified to the firm in an annual attestation that he had not engaged in any private securities transactions other than those he had received preclearance for from the firm when, in fact, he had engaged in the three private securities transactions without receiving preclearance from the firm. ([FINRA Case #2020066999801](#))

**Timothy Patrick Higgins ([CRD #2282547](#), Bethpage, New York)**

June 17, 2022 – Higgins was named a respondent in a FINRA complaint alleging that he failed to appear and provide testimony requested by FINRA on two occasions. The complaint alleges that FINRA was investigating Higgins's trading in two of his customers' accounts because the accounts had indicia of having been excessively traded. Higgins's testimony was material to FINRA's investigation into whether he engaged in misconduct when he traded the two customers' accounts and was necessary for FINRA to complete its investigation into whether Higgins made unsuitable recommendations to the two customers. ([FINRA Case #2018056490303](#))



---

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

SeriesOne, LLC (Funding Portal Org ID #285012)  
Miami, Florida  
(June 21, 2022)  
FINRA Case #2021069099501

**Wynston Hill Capital, LLC (CRD #103811)**  
Brandon, South Dakota  
(June 19, 2022)

---

**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.)

**The Transportation Group (Securities) Limited (CRD #286288)**  
New York, New York  
(June 3, 2022)

**The Transportation Group (Securities) Limited (CRD #286288)**  
New York, New York  
(June 6, 2022)

**The Transportation Group (Securities) Limited (CRD #286288)**  
New York, New York  
(April 6, 2022 – June 27, 2022)

**The Transportation Group (Securities) Limited (CRD #286288)**  
New York, New York  
(April 18, 2022 – June 27, 2022)

---

**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.)

**Teresa Gomez (CRD #6100616)**  
Toms River, New Jersey  
(June 6, 2022)  
FINRA Case #2020067624801

**Ann Sharon Montgomery (CRD #4312002)**  
North Aurora, Illinois  
(June 6, 2022)  
FINRA Case #2021070787601

**Sean Edward Winkler (CRD #7164307)**  
Scottsdale, Arizona  
(June 6, 2022)  
FINRA Case #2021072853801

---

**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.)

**Roger Lee Arnold (CRD #5284151)**  
Salem, Oregon  
(June 10, 2022)  
FINRA Case #2021072142201

**Jimmy Cheng (CRD #6718287)**  
Brooklyn, New York  
(June 6, 2022)  
FINRA Case #2021073173101

**Eddy Chou (CRD #4685418)**  
Fremont, California  
(June 16, 2022)  
FINRA Case #2021071392801

**Kara Leigh Gagnon (CRD #4574455)**  
East Windsor, Connecticut  
(June 21, 2022)  
FINRA Case #2020069027701

**Johana Valeria Jimenez (CRD #7144953)**  
San Diego, California  
(June 21, 2022)  
FINRA Case #2021071510901

**Igor Peter Kislitsa (CRD #6324794)**  
Folsom, California  
(January 8, 2021 – June 30, 2022)  
FINRA Case #2020067014601

**Christopher D. McFadden  
(CRD #4179610)**  
Frisco, Texas  
(March 21, 2022 – June 8, 2022)  
FINRA Case #2021072264201

**John M. Molskness (CRD #2366782)**  
Brownsburg, Indiana  
(June 27, 2022)  
FINRA Case #2021070932001

**Thomas Steven Pfeiffer  
(CRD #3223708)**  
Easton, Pennsylvania  
(June 24, 2022)  
FINRA Case #2021072080001

**Emily Yon Pich (CRD #5456146)**  
Elkhart, Indiana  
(June 27, 2022)  
FINRA Case #2021073526901

**Cari Stone Spicer (CRD #2387382)**  
Oceanside, California  
(June 27, 2022)  
FINRA Case #2021072265701

**Derick Montrele Strickland (CRD  
#6856512)**  
Houston, Texas  
(June 21, 2022)  
FINRA Case #2021073615601

**Khalil Hassan Watts (CRD #7214340)**  
Philadelphia, Pennsylvania  
(June 17, 2022)  
FINRA Case #2021073482901

**Chiu Fong Wu (CRD #1656476)**  
San Francisco, California  
(June 16, 2022 – July 18, 2022)  
FINRA Case #2021070546501

---

**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.)**

**Andrew Benjamin Edenbaum  
(CRD #3040543)**  
Boca Raton, Florida  
(June 21, 2022)  
FINRA Arbitration Case #20-00055

**Keith Adam Esp (CRD #4508345)**  
Tampa, Florida  
(June 10, 2022)  
FINRA Arbitration Case #21-02657

**Karl Ronald Foust Jr. (CRD #1010291)**  
Delray Beach, Florida  
(June 21, 2022)  
FINRA Arbitration Case #18-02332

**Bruce Jude Guarino (CRD #1096719)**  
Huntington, New York  
(June 10, 2022)  
FINRA Arbitration Case #20-00069

**Robert Anthony Guidici Pietro  
(CRD #1588069)**  
Staten Island, New York  
(June 16, 2022)  
FINRA Case #20220750833

**Robert Louis Haas (CRD #800051)**  
North Wales, Pennsylvania  
(June 21, 2022)  
FINRA Arbitration Case #20-02051

**Christopher Randall Johnson  
(CRD #2599729)**  
Eden Prairie, Minnesota  
(April 10, 2017 – June 15, 2022)  
FINRA Arbitration Case #13-02892

**Jeffrey George Nunez (CRD #1580759)**  
New York, New York  
(March 25, 2015 – June 13, 2022)  
FINRA Arbitration Case #13-02717

**Izhar Shefer (CRD #1759498)**  
Tucson, Arizona  
(June 21, 2022)  
FINRA Arbitration Case #17-02733

**Gretchen Mary Thies Wallace  
(CRD #5293933)**  
Barrington, Rhode Island  
(June 10, 2022)  
FINRA Arbitration Case #21-03049

## **FINRA Orders Merrill Lynch, Pierce, Fenner & Smith, Inc. to Pay \$15.2 Million in Restitution**

FINRA ordered [Merrill Lynch, Pierce, Fenner & Smith, Inc.](#) to pay more than \$15.2 million in restitution and interest to thousands of customers who purchased Class C mutual fund shares when Class A shares were available at substantially lower costs.

Mutual fund issuers offer different classes of mutual fund shares, including Class A and Class C shares. As a general matter, Class A shares are subject to a front-end sales charge; Class C shares typically do not carry a front-end sales charge but have ongoing fees and expenses that are higher than those of Class A shares. Many mutual fund issuers allow customers to purchase Class A shares without a front-end sales charge if the purchase exceeds certain thresholds. If a customer qualifies to purchase Class A shares without a front-end sales charge, there would be no reason for the customer to purchase Class C shares with higher annual expenses.

Merrill Lynch maintained an automated system designed to restrict a customer's purchase of Class C shares when lower cost Class A shares were available. The system, however, often failed to correctly identify and implement applicable purchase limits on Class C shares. As a result, thousands of Merrill Lynch customers purchased Class C shares, incurring fees and charges, when Class A shares were available at a substantially lower cost.

For example, in November 2019, the firm's system failed to flag a customer's purchase of Class C shares with annualized expenses of approximately 1.76 percent when the customer could have purchased Class A shares with lower annualized expenses of approximately 0.96 percent without paying a sales charge.

"FINRA member firms must have supervisory systems reasonably designed to ensure that customers are aware of, and receive, available discounts when purchasing mutual funds, and are not charged unnecessary fees and expenses," said Jessica Hopper, Executive Vice President and Head of FINRA's Department of Enforcement. "We want to remind and encourage firms to proactively detect, fix, and remediate these types of supervisory issues to realize the benefits of extraordinary cooperation when warranted."

In addition to providing restitution to harmed customers, Merrill Lynch has agreed to convert certain customers' existing Class C holdings to Class A shares, where appropriate. FINRA did not impose a fine due to the firm's extraordinary cooperation and substantial assistance with the investigation. Merrill Lynch voluntarily and proactively conducted an internal review, engaged an outside consultant to identify affected customers and calculate remediation, and established a remediation plan to repay customers and convert shares, where applicable.

FINRA provided guidance to broker-dealers on common sales charge discounts and waivers for mutual funds in Regulatory Notice 21-07. In 2015 and 2016, FINRA identified sales charge discounts and waivers as priorities in the Regulatory and Examination Priorities Letter.

In settling [this matter](#), Merrill Lynch accepted and consented to the entry of FINRA's findings without admitting or denying them.

### **FINRA Orders National Securities Corp. to Pay \$9 Million for Attempting to Artificially Influence the Aftermarket in 10 Offerings, and Other Violations**

#### **NSC Ordered to Pay Over \$625,000 in Restitution to Customers Who Bought GPB Capital Private Placements After NSC Failed to Inform Them of Material Information**

FINRA sanctioned [National Securities Corporation \(NSC\)](#) approximately \$9 million, including disgorgement of \$4.77 million in net profits the firm received for underwriting 10 public offerings in which NSC attempted to artificially influence the market for the offered securities.

FINRA also ordered NSC to pay more than \$625,000 in restitution for failing to disclose material information to customers who purchased GPB Capital Holdings, LLC private placements. In addition, FINRA imposed a \$3.6 million fine for this misconduct and various other supervisory and operational violations.

"Investors are entitled to rely on a market that is free from artificial price movement created by underwriters," said Jessica Hopper, Executive Vice President and Head of FINRA's Department of Enforcement. "We will continue to vigilantly enforce rules designed to prevent underwriters from influencing the market for an offered security, including supporting the offering price by creating a perception of aftermarket demand."

FINRA found that between June 2016 and December 2018, NSC, while acting as an underwriter for three initial public offerings and seven follow-on offerings, violated Rule 101 of Regulation M under the Securities Exchange Act of 1934 by unlawfully inducing or attempting to induce certain customers to purchase stock in the aftermarket of the offerings prior to their completion.

Rule 101 prohibits underwriters, during a restricted period, from attempting to induce any person to bid for or purchase any offered security in the aftermarket.

FINRA found that NSC violated Regulation M in connection with 10 offerings by engaging in some combination of the following misconduct during each offering's restricted period:

- ▶ Expressly conditioning allocations on a branch manager's or representative's agreement to buy a specific number of shares in the aftermarket for the branch's or representative's customers (known as "tie-in agreements");
- ▶ Agreeing to solicit customers who received allocations to purchase additional shares in the immediate aftermarket; and
- ▶ Threatening to reduce allocations to representatives who would not agree to solicit their customers to participate in the aftermarket.

NSC's conduct was aimed at artificially stimulating demand and supporting the price of the offered securities, which tended to be thinly traded, in the immediate aftermarket. The aftermarket performance of NSC's underwritten offerings was important to the firm's reputation and ability to generate future investment banking revenue.

The settlement resolves multiple other charges against NSC, including that the firm:

- ▶ Between April 2018 and July 2018, negligently omitted to tell investors in two offerings related to GPB Capital about delays in the issuer's required public filings, including audited financial statements—for which FINRA has ordered the firm to pay restitution of more than \$625,000 to those customers;
- ▶ Between January 2005 and April 2020, failed to obtain locates for over 33,000 short sale transactions as required by Rule 203(b)(1) of Regulation SHO under the Exchange Act;
- ▶ Between September 2013 and May 2017, failed to reasonably supervise one of its representatives by failing to respond to multiple red flags that he was falsifying information about customers' assets and suitability information in order to avoid NSC's limits on concentration levels that applied to his non-traded real estate investment trust recommendations; and
- ▶ Made inaccurate representations to FINRA concerning the sales of stock warrants it received in connection with an October 2019 public offering.

In settling [this matter](#), NSC consented to the entry of FINRA's findings without admitting or denying the charges.