

Disciplinary and Other FINRA Actions

Firms Fined

Fidelity Brokerage Services LLC (CRD #7784, Smithfield, Rhode Island)
October 2, 2023 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured and fined \$900,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it did not have a system reasonably designed to review and approve options applications. The findings stated that the firm used an automated, electronic system to screen customers' online applications to trade options, after which a principal at the firm reviewed and then approved or disapproved customer accounts for options trading. However, the automated system considered only information that a customer provided in his or her most recent options trading application (such as his or her investment experience, income, liquid net worth, and net worth), and did not compare such information to other information previously provided to the firm. In addition, the firm required that all customers seeking approval to trade options have at least a year of investment experience and the firm's policies only considered experience after a customer was 18 years old. As such, any customer under the age of 19 who applied for options trading could not have attained the year of investment experience that the firm required for its customers to trade options. Nonetheless, the firm's automated system promoted applications for batch review by a principal based on customers' representations that they had at least a year of investment experience—even if the customers were younger than 19 years old. The firm's process for principal review of options applications was also flawed. Principal reviewers were not required to consider if a customer had submitted multiple applications. The firm's system also did not require comparison of the information provided by a customer on his or her most recent options application with what the customer had previously represented to the firm. The findings also stated that the firm approved certain customers for options trading who did not satisfy the firm's eligibility criteria or whose accounts contained red flags that the requested level of options trading was not appropriate for them. Of such customers, only a small number actually traded options at levels for which they were not eligible under the firm's eligibility criteria. ([FINRA Case #2021071987001](#))

HSBC Securities (USA) Inc. (CRD #19585, New York City, New York)
October 9, 2023 – An AWC was issued in which the firm was censured, fined \$2,000,000 and required to remediate the issues identified in the AWC and implement a supervisory system, including written supervisory procedures (WSPs), reasonably designed to achieve compliance with FINRA Rules 2241(c) and 2242(c). Without admitting

Reported for December 2023

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 to search for cases using key words or phrases, specified date ranges or other criteria.

or denying the findings, the firm consented to the sanctions and to the entry of findings that it published equity and debt research reports that contained inaccurate disclosures about its conflicts of interest. The findings stated that the firm's disclosure inaccuracies comprised of both failures to disclose conflicts and disclosure of conflicts that did not exist, with most being over-disclosure. The firm's disclosure inaccuracies stemmed from several issues with the data feeds it used to generate conflicts disclosures in research reports. The firm also applied a definition of investment banking services that incorrectly excluded such services in connection with asset-backed securities, private placement bonds, and certain structured products. As a result, the firm did not include data from those products in its data feeds, causing a failure to disclose investment banking related conflicts involving those offerings and products. In addition, the firm based its disclosures of investment banking revenue on two years of data even though the applicable rules limit the scope of the data to one year, resulting in over disclosure. Further, the firm at times did not timely add new client relationships to the data feeds or used inconsistent naming conventions for the same client, resulting in a lack of required disclosures or inaccurate disclosures. The findings also stated that the firm did not establish and maintain a supervisory system, including WSPs, that was reasonably designed to achieve compliance with the disclosure requirements of FINRA Rules 2241(c) and 2242(c) and NASD Rule 2711(h). The firm had no procedures, testing, or other system to confirm that the information in the data feeds was accurate and complete, nor did the firm assign responsibility for confirming the accuracy and completeness of its data feeds to any individuals or groups. Consequently, the firm was unable to detect the data feed deficiencies, causing the disclosure inaccuracies to occur over almost nine years. ([FINRA Case #2021073545201](#))

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

October 19, 2023 – 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 failed to establish and maintain a supervisory system reasonably designed to detect potential spoofing and layering in equity securities. The findings stated that the firm did not initially have any supervisory system, including surveillances or supervisory reviews, to monitor for potential spoofing or layering by firm traders but later implemented automated surveillance to identify potential instances. The surveillance, however, had certain unreasonable parameters. Certain of the firm's surveillance parameters for spoofing and layering required the entry of a large order on both sides of the market, a significant number or high total share volume of layered orders on one side of the market, or a very high volume of cancelled orders. These parameters were unreasonable because layering and spoofing could also occur with smaller-sized or single orders, and the firm's trading included such orders. ([FINRA Case #2015044336601](#))

Odeon Capital Group LLC ([CRD #148493](#), New York, New York)

October 20, 2023 – An AWC was issued in which the firm was censured and fined \$100,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to timely report trades to Trade Reporting and Compliance Engine (TRACE) and incorrectly reported internal transfers to TRACE as securitized products transactions when they were not reportable. The findings stated that the firm's late reporting constituted a pattern or practice of late reporting without exceptional circumstances. The findings also stated that the firm failed to timely report trades to the Municipal Securities Rulemaking Board's (MSRB's) Real-time Transaction Reporting System (RTRS), and incorrectly reported internal transfers to the RTRS as municipal securities transactions when they were not reportable. The firm submitted the internal transfers because it mistakenly believed they were reportable to the RTRS. Most of the late reports to TRACE and RTRS resulted from manual errors and failures to submit amendments in a timely manner. The findings also included that the firm's supervisory system, including its WSPs for TRACE and MSRB reporting, was not reasonably designed to achieve compliance with TRACE and MSRB reporting rules. The firm's WSPs did not explain how supervisors should conduct reviews for timely reporting or when and how reporting issues should be escalated. Further, the firm's WSPs did not explain how supervisors should conduct reviews to ensure that the firm's internal transfers were not reported to TRACE or the RTRS. The firm has since updated its procedures to address these issues for TRACE and MSRB reporting. ([FINRA Case #2016051927501](#))

Electronic Transaction Clearing, Inc. ([CRD #146122](#), Dallas, Texas)

October 23, 2023 – An AWC was issued in which the firm was censured and fined a total of \$100,000, of which \$5,000 is payable to FINRA. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it permitted individuals to operate in capacities for which they were not qualified or not properly registered. The findings stated that the firm failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with FINRA registration and qualification requirements. The firm's ongoing supervisory process relied on annual reviews that were not reasonably designed to identify changes in individuals' job functions and registration statuses that occurred throughout the year. In addition, the firm's WSPs did not provide reasonable guidance regarding how the annual reviews should be conducted, such as what qualification and registration information would be reviewed, how such information would be verified, or what steps would be taken if a missing qualification or registration were identified. The firm has since revised its supervisory system, including its WSPs, relating to the registration and qualification of its associated persons. ([FINRA Case #2021069322001](#))

Individuals Barred

James P. Pelletiere ([CRD #2628708](#), Carol Stream, Illinois)

October 4, 2023 – An AWC was issued in which Pelletiere was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Pelletiere consented to the sanction and to the entry of finding that he refused to provide information and documents requested by FINRA in connection with its investigation into whether he had, among other things, misused customer funds and accepted cash payments from a client. ([FINRA Case #2022077314501](#))

Vivek Tangudu ([CRD #7429841](#), Atlanta, Georgia)

October 4, 2023 – An AWC was issued in which Tangudu was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Tangudu 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 the circumstances giving rise to his member firm's FINRA Rule 4530 filing that stated that it had terminated him due to his failure to cooperate during a firm investigation. ([FINRA Case #2023078907901](#))

Robert L. Jones ([CRD #2771452](#), Saint Cloud, Florida)

October 6, 2023 – An AWC was issued in which Jones was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Jones consented to the sanction and to the entry of findings that he refused to provide documents and information requested by FINRA in connection with its investigation into the circumstances surrounding his termination from his member firm. The findings stated that the firm filed an amended Uniform Termination Notice for Securities Industry Registration (Form U5) stating that at the time of Jones' termination, he had been under internal review for the use of digital communication channel (text messaging) and discretionary orders. ([FINRA Case #2023078346601](#))

Todd Michael Lesk ([CRD #2788300](#), Coral Springs, Florida)

October 6, 2023 – An AWC was issued in which Lesk was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Lesk consented to the sanction and to the entry of findings that he refused to provide information and documents and to appear for on-the-record testimony requested by FINRA in connection with its investigation into whether he recommended that his customer invest in a crypto asset offering away from his member firm. ([FINRA Case #2023079873001](#))

Jorge Hernandez ([CRD #5340171](#), Glendora, California)

October 9, 2023 – An AWC was issued in which Hernandez was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Hernandez consented to the sanction and to the entry of findings that he refused to provide information and documents requested by FINRA in connection with its investigation into allegations that he engaged in undisclosed outside business activities (OBAs). ([FINRA Case #2023078870201](#))

James Michael Green ([CRD #4955243](#), Lindstrom, Minnesota)

October 17, 2023 – An AWC was issued in which Green was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Green consented to the sanction and to the entry of findings that he refused to provide documents and information requested by FINRA. The findings stated that this matter originated from FINRA’s review of Green’s Form U5 that his member firm filed that stated, in part, that he executed an order in a client account without speaking to the client. ([FINRA Case #2023079059301](#))

Philip Michael Connors ([CRD #5274094](#), Staten Island, New York)

October 18, 2023 – An AWC was issued in which Connors was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Connors 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, among other issues, his role in potential sales practice violations related to the trading in some of his customers’ accounts at his member firms. ([FINRA Case #2019060753506](#))

Individuals Suspended

Dima Munzer Abdulnour ([CRD #7400818](#), Highland, California)

October 2, 2023 – An AWC was issued in which Abdulnour was fined \$5,000 and suspended from association with any FINRA member in all capacities for 18 months. Without admitting or denying the findings, Abdulnour consented to the sanctions and to the entry of findings that she had access to unauthorized materials while taking the FINRA Series 7 General Securities Representative examination. The findings stated that prior to the examination, Abdulnour attested that she had read and would abide by the Rules of Conduct for representative and principal examinations. However, during an unscheduled break, Abdulnour accessed study materials that she left in the restroom prior to taking the examination.

The suspension is in effect from November 6, 2023, through May 5, 2025. ([FINRA Case #2023078191801](#))

Justin Thomas Maher ([CRD #5504995](#), Milford, Connecticut)

October 2, 2023 – An AWC was issued in which Maher was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for 12 months. Without admitting or denying the findings, Maher consented to the sanctions and to the entry of findings that he engaged in OBAs related to crypto assets without providing prior written notice to his member firm. The findings stated that Maher worked for a social media marketing organization that recommended crypto asset investments, moderated online content and proposed crypto assets to be included among the organization’s recommendations. Maher also helped establish a crypto asset, providing some of the capital required to create the asset

and assisting in hiring a marketing staff, and helped manage the crypto asset's social media pages and arranged for payments to celebrity promoters. In addition, Maher worked as a consultant for another crypto asset, and became a managing member of a crypto asset consulting firm intended to create and monetize various block chain technologies. In certain instances, Maher was a named partner or independent contractor of these outside businesses. Maher expected, and in certain instances received, compensation for these activities. The findings also stated that Maher participated in private securities transactions that involved crypto assets that were offered and sold as investment contract securities without providing prior written notice to his firm. Maher participated in these private securities transactions by inducing and facilitating individuals' investments in these specific assets. Maher assisted in marketing the assets, personally invested approximately \$40,000 in the assets, and reached out to individuals to recommend that they purchase the assets as investments. Maher also assisted individuals in purchasing the assets by ensuring they had access to appropriate forms and were identified to the managers of the crypto assets as potential investors and providing them with instructions about how to deposit funds in order to purchase the crypto assets. As a result of Maher's conduct, individuals invested at least \$245,000, directly with the crypto asset developers.

The suspension is in effect from October 2, 2023, through October 1, 2024. ([FINRA Case #2021072629201](#))

Ravid Gold ([CRD #6314469](#), Houston, Texas)

October 3, 2023 – An AWC was issued in which Gold was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for 30 days. Without admitting or denying the findings, Gold consented to the sanctions and to the entry of findings that he circumvented his member firm's policies regarding cross trades, specifically the requirement to obtain prior written customer consent. The findings stated that Gold made inquiries to firm compliance personnel regarding how to conduct cross trades, and he was informed that written customer consent would be required. Gold annually certified in writing that he understood and would comply with the firm's WSPs, and he was the firm's designated principal responsible for supervising fixed income transactions for compliance with the firm's WSPs on mark-ups, suitability, and potentially manipulative activity. In order to evade the firm's requirement to obtain written customer consent prior to conducting cross trades, Gold engaged in prearranged trade sets with a counterparty broker-dealer that accomplished the same purpose as the cross trades. Gold identified firm customers needing to liquidate corporate bonds and other firm customers needing to purchase the bonds. Gold then arranged for the sales of the bond positions to the counterparty with the promise to repurchase them later. After repurchasing the bonds, Gold sold them to the firm customers that needed to purchase the bonds. Gold did not obtain written customer consent in connection with these trades.

The suspension was in effect from October 16, 2023, through November 14, 2023. ([FINRA Case #2020068391501](#))

Elizabeth Ashley Nichols (CRD #7321603, San Diego, California)

October 5, 2023 – An AWC was issued in which Nichols 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, Nichols consented to the sanctions and to the entry of findings that she possessed and had access to her cell phone while taking the Series 7 General Securities Representative examination. The findings stated that Nichols took the examination at her home using a remote testing platform. Before beginning the examination, Nichols attested that she had reviewed and would abide by the Rules of Conduct, and informed the proctor that her cell phone was stored in her car.

The suspension is in effect from October 16, 2023, through April 15, 2025. ([FINRA Case #2023078877501](#))

Scott Michael Bremus (CRD #4073006, Braselton, Georgia)

October 6, 2023 – An AWC was issued in which Bremus 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, Bremus consented to the sanctions and to the entry of findings that he participated in a private securities transaction, for which he received no selling compensation, without providing prior written notice to, or obtaining written approval from, his member firm. The findings stated that the private securities transaction involved two of his firm customers, a married couple. Bremus introduced the married couple to a registered representative, who was also registered with FINRA through an association with the firm, to facilitate a discussion among them in regard to an investment in a company. The representative engaged in OBAs that he did not disclose to the firm and caused firm clients to transfer money from their firm accounts to those OBAs, one of which was the company. The married couple entered into a \$300,000 promissory note with the company. With the customers' authorization, Bremus electronically signed and submitted firm "Move Money" forms to request a \$125,000 wire transfer from one customer's firm account to the company and a \$175,000 wire transfer from the other customer's firm account to the company. Bremus attested on the forms that he "did not solicit, recommend, or otherwise participate in the underlying transaction or investment for which this transfer was requested." Bremus thereafter communicated with the representative regarding the status of the customers' investment in the company.

The suspension is in effect from October 16, 2023, through April 15, 2024. ([FINRA Case #2021073072701](#))

Arni Jay Diamond (CRD #2667392, St. Augustine, Florida)

October 9, 2023 – An AWC was issued in which Diamond 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, Diamond consented to the sanctions and to the entry of findings that he made unsuitable

recommendations in speculative alternative investments to two customers in their sixties that were inconsistent with the customers' investment profiles. The findings stated that Diamond's recommendations to purchase the limited partnership interests to the customers were unsuitable for the customers based on their age, income, net worth, risk tolerance, and because one customer was not an accredited investor as was required to invest in the limited partnership interests, and because his recommendations to the other customer resulted in the over-concentration of that customer's net worth in alternative investments. Both customers settled arbitration claims filed against Diamond's member firm.

The suspension is in effect from October 16, 2023, through February 15, 2024. ([FINRA Case #2018060897303](#))

James R. Dickie ([CRD #4465359](#), Rancho Cordova, California)

October 10, 2023 – An AWC was issued in which Dickie was suspended from association with any FINRA member in all capacities for eight months. In light of Dickie's financial status, no monetary sanctions have been imposed. Without admitting or denying the findings, Dickie consented to the sanction and to the entry of findings that he received \$9,000 from a customer of his member firm as part of a business transaction without seeking or obtaining the firm's written pre-approval to engage in an OBA nor to accept money from a customer of the firm in connection with that activity, and he did not inform the firm of the transaction. The findings stated that the money was intended as an investment to finance the renovation of a car. In addition, Dickie signed and initialed biannual compliance questionnaires affirming he had informed his supervisory principal of all OBAs for which he had a reasonable expectation of compensation and understood that he had to receive permission in writing prior to engaging in any OBA. The findings also stated that Dickie willfully failed to timely amend his Uniform Application for Securities Industry Registration or Transfer (Form U4) to disclose that he had been charged with several felonies. Dickie did not disclose the felony charges on his Form U4 at any point or inform his firm of the felony charges or the need to update his Form U4. Furthermore, the firm filed a Form U4 amendment on Dickie's behalf on which he falsely answered a question that asks whether the individual has ever been charged with any felony, and neither the firm nor Dickie filed any subsequent amendment to the Form U4 to correct the misstatement. Ultimately, Dickie pled guilty to misdemeanor charges and the felony charges were dismissed. Furthermore, Dickie signed and initialed biannual compliance questionnaires affirming that there were no events that had occurred since the filing of his Form U4 that would require his previously reported answers to be amended and agreeing that he would notify the firm of any such event, including court actions, arrests, and warrants.

The suspension is in effect from October 16, 2023, through June 15, 2024. ([FINRA Case #2022076282801](#))

Arun Kumar Aggarwal ([CRD #1658436](#), Raleigh, North Carolina)

October 11, 2023 – An AWC was issued in which Aggarwal 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, Aggarwal consented to the sanctions and to the entry of findings that he exercised discretionary authority to effect trades in a customer's account without obtaining written authorization from the customer to exercise discretion and without his member firm having accepted the account as discretionary. The findings stated that although the customer understood that Aggarwal was placing trades in the account, the customer had not provided prior written authorization for him to do so. The findings also stated that Aggarwal caused the firm to maintain inaccurate books and records by mismarking the discretionary trades as unsolicited.

The suspension is in effect from October 16, 2023, through December 15, 2023.

([FINRA Case #2022076586001](#))

Frank L. Martin ([CRD #2859847](#), Brooklyn, New York)

October 11, 2023 – An AWC was issued in which Martin was suspended from association with any FINRA member in any principal capacity for three months. In light of Martin's financial status, no monetary sanctions have been imposed. Without admitting or denying the findings, Martin consented to the sanction and to the entry of findings that he failed to reasonably supervise registered representatives at his member firm who each excessively traded one or more customer accounts. The findings stated that Martin failed to investigate red flags of unsuitable or excessive trading despite indicators of excessive trading at the firm, including high turnover and cost-to-equity in numerous customer accounts. Martin signed off on daily trade blotters and periodic exception reports purportedly indicating he had reviewed them, however, he did not reasonably investigate red flags of potentially unsuitable or excessive trading, such as frequent trading, in-and-out trading, and proceeds transactions. Martin frequently closed out exception reports without evidence of any reasonable review to verify that the trades were suitable. As a result of his unreasonable review practices, Martin failed to identify numerous accounts that were being excessively traded or take any steps to limit the trading in the accounts or escalate the activity to others at the firm. During the relevant period, registered representatives who Martin directly supervised, or for whose trading Martin was responsible for reviewing, excessively traded accounts, causing customers to pay \$663,463 in commissions, fees, and margin interest. To date, FINRA has ordered approximately \$500,000 in restitution for these customers in settlements with some of the registered representatives.

The suspension is in effect from November 6, 2023, through February 5, 2024.

([FINRA Case #2018056483904](#))

Nicholas Michael Caruso (CRD #7301382, Howell, New Jersey)

October 12, 2023 – An AWC was issued in which Caruso was suspended from association with any FINRA member in all capacities for three months. In light of Caruso’s financial status, no monetary sanctions have been imposed. Without admitting or denying the findings, Caruso consented to the sanction and to the entry of findings that he willfully violated the Best Interest Obligation under Rule 15l-1 of the Securities Exchange Act of 1934 (Exchange Act) by recommending a series of transactions in two elderly retail customers’ accounts that was excessive in light of their investment profiles and therefore was not in either customer’s best interest. The findings stated that Caruso placed his and his member firm’s interests ahead of the interests of both customers. Caruso’s recommendations for both customers involved a pattern of in-and-out, short-term trading, and he failed to consider the cumulative costs of his trading. The customers lost a total of \$20,300 and paid more than a total of \$14,100 in commissions and trade costs.

The suspension is in effect from October 16, 2023, through January 15, 2024. ([FINRA Case #2022076459305](#))

Lee Michael Generous (CRD #5765351, Marshfield, Massachusetts)

October 16, 2023 – An AWC was issued in which Generous 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, Generous consented to the sanctions and to the entry of findings that he falsified customer and registered representative signatures. The findings stated that Generous electronically signed documents for the customers, some of whom were seniors, with their permission. None of the customers complained. The documents included required records of the firm, including new account applications, account transfer forms, and opt-in forms for electronic prospectuses. Generous also electronically signed the name of the representative, who was the primary representative on customer accounts that they jointly serviced, on more than 100 documents with the representative’s permission. In addition, Generous falsely attested in a compliance questionnaire that he had not signed or affixed another person’s signature on a document. The findings also stated that Generous caused his member firm to maintain inaccurate books and records.

The suspension is in effect from October 16, 2023, through January 15, 2024. ([FINRA Case #2021073167201](#))

Kenneth John Arellano (CRD #2660786, Victor, New York)

October 17, 2023 – An AWC was issued in which Arellano was fined \$5,000 and suspended from association with any FINRA member in all capacities for 30 days. Without admitting or denying the findings, Arellano consented to the sanctions and to the entry of findings that he caused his member firm to maintain incomplete books and records by using a text messaging service that was not approved by the

firm to exchange securities-related business communications, including information concerning customers' investment profiles and account balances. The findings stated that Arellano did not retain copies of any of such communications for his firm to preserve.

The suspension is in effect from November 20, 2023, through December 19, 2023.
([FINRA Case #2019064285601](#))

Todd Morris Mezrah ([CRD #2313891](#), Tampa, Florida)

October 17, 2023 – An AWC was issued in which Mezrah was fined \$10,000 and suspended from association with any FINRA member in all capacities for 20 business days. Without admitting or denying the findings, Mezrah consented to the sanctions and to the entry of findings that he sent email communications to retail investors that violated the content standards of FINRA Rule 2210 because they were not fair and balanced, contained promissory, unwarranted, and misleading statements or claims, and included prohibited projections of performance. The findings stated that the emails discussed an opportunity to invest in a multi-family real estate property through a private offering of interests in the company that planned to acquire and develop the property. Mezrah failed to mention any risks of investing in private placements, the specific risks of investing in the particular private placement referred to in the emails, and the real estate risks associated with the investment. The emails, in fact, do not discuss any investments risk.

The suspension is in effect from November 20, 2023, through December 18, 2023.
([FINRA Case #2019062775801](#))

Gerald Michael Taylor ([CRD #5649838](#), Huntington, Tennessee)

October 17, 2023 – An AWC was issued in which Taylor was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Taylor consented to the sanctions and to the entry of findings that he engaged in OBAs outside the scope of his association with his member firm, without providing prior written notice to the firm. The findings stated that Taylor served as the chief compliance officer of a local community bank and worked as an assistant professor of finance at a local college. Taylor received compensation in connection with each of these OBAs. In addition, on a compliance questionnaire Taylor submitted to the firm, he inaccurately stated that he did not receive compensation from any person or entity outside of the scope of his relationship with the firm. In addition, Taylor inaccurately stated that he was not an officer in any other business entity on multiple conflict of interest questionnaires. The findings also stated that Taylor opened an individual retirement account (IRA), in which securities transactions could be effected and in which he held a beneficial interest, with a firm other than his firm, without receiving prior written consent from his firm or notifying the other firm of his association.

The suspension is in effect from November 6, 2023, through February 5, 2024.
([FINRA Case #2023077841801](#))

Nicholas Blake Williams ([CRD #5836696](#), Fair Oaks Ranch, Texas)

October 17, 2023 – An AWC was issued in which Williams was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Williams consented to the sanctions and to the entry of findings that he recorded inaccurate information on order memoranda prepared with respect to a transaction. The findings stated that Williams inaccurately recorded that orders were received by a registered representative of another FINRA member who had not actually received the orders. As Williams was aware, each order was actually received by a different registered representative who was not authorized to receive them due to a conflict of interest with the other FINRA member's customer.

The suspension is in effect from November 20, 2023, through December 19, 2023. ([FINRA Case #2022074043401](#))

Richard Evans Leininger ([CRD #809473](#), Freeport, Illinois)

October 19, 2023 – An AWC was issued in which Leininger was fined \$5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Leininger consented to the sanctions and to the entry of findings that he caused his member firm to make and preserve inaccurate books and records by mismarking order tickets as unsolicited when he had solicited the securities transactions.

The suspension is in effect from November 20, 2023, through January 19, 2024. ([FINRA Case #2023079974701](#))

Christian Thomas Holmes ([CRD #6810142](#), Parker, Texas)

October 25, 2023 – An AWC was issued in which Holmes 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, Holmes consented to the sanctions and to the entry of findings that he forged a third party's signature on forms that he submitted to his member firm in support of his application to extend a paid leave of absence. The findings stated that Holmes typed the third party's name on the signature line of the forms, without the person's authorization or knowledge.

The suspension is in effect from November 6, 2023, through April 5, 2024. ([FINRA Case #2022076303801](#))

Kevin Anthony Zappia ([CRD #1360824](#), Manlius, New York)

October 25, 2023 – An AWC was issued in which Zappia was fined \$2,500 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Zappia consented to the sanctions and to the entry of findings that he caused his member firm to make and preserve inaccurate books and records by mismarking order tickets as unsolicited when the securities transactions were actually solicited.

The suspension was in effect from November 20, 2023, through December 11, 2023. ([FINRA Case #2023079976101](#))

Mark Bedros Beloyan ([CRD #1392748](#), Davie, Florida)

October 26, 2023 – An Order Accepting Offer of Settlement was issued in which Beloyan was assessed a deferred fine of \$60,000, suspended from associated with any FINRA member in all capacities for two years, and ordered to pay deferred disgorgement of commissions received in the amount of \$27,260, plus prejudgment interest. Without admitting or denying the allegations, Beloyan consented to the sanctions and to the entry of findings that he facilitated the liquidation of nearly 23 million shares of common stock of a company to the investing public when there was no registration statement filed or in effect or exemption from registration available with respect to those transactions, acting in contravention of Section 5 of the Securities Act of 1933 (Securities Act). The findings stated that the customers that liquidated these shares through Beloyan's member firm generated proceeds of approximately \$577,000 in these violative transactions. Beloyan was a necessary participant and substantial factor in the sale of the common shares on behalf of the customers because, among other things, he opened all of the customer accounts, reviewed and approved all of the deposits of the company, executed all of the sales through the firm, served as the registered representative for the customers' accounts, and was solely responsible for all supervision and compliance functions at the firm. The findings also stated that Beloyan failed to supervise for compliance with the Securities Act. As the firm's anti-money laundering (AML) compliance officer, Beloyan was responsible for the firm's supervision and compliance with FINRA rules and the federal securities laws. In violation of the firm's WSPs, Beloyan failed to investigate red flags of violative activity and failed to conduct due diligence sufficient to determine if the sales of shares of the company through the firm were registered or, if not, were exempt from registration. To the contrary, Beloyan was aware, or through reasonable diligence should have been aware, of facts that supported the conclusion that these sales were part of an unregistered distribution. The findings also included that Beloyan failed to implement an AML program reasonably designed to achieve and monitor the firm's compliance with the Bank Secrecy Act and its implementing regulations, including the ability to detect and cause the reporting of suspicious activities. Beloyan also failed to detect and, if detected, failed to investigate these red flags to make a determination of whether to file a Suspicious Activity Report (SAR). Beloyan separately was aware, or through reasonable due diligence should have been aware, of numerous red flags of potentially suspicious activity in connection with an entirely different group of customer accounts. The firm, Beloyan, and a firm registered representative opened three nominee accounts for three nominee customers of an individual that the Securities and Exchange Commission (SEC) had twice sued in connection with unrelated penny-stock manipulation schemes. When the firm's clearing firm asked directly about the relationship of that individual to the second nominee customer, Beloyan misrepresented the nature of the relationship and denied the individual's involvement in the account despite both Beloyan, and the representative having taken instructions directly from the individual in the opening and funding of that account. Thereafter, Beloyan ignored numerous red flags, including trading of six

different penny stocks, prior to the clearing firm closing the nominee accounts. The findings stated that Beloyan misled the clearing firm about the individual's involvement with the nominee accounts. The suspension is in effect from November 6, 2023, through November 5, 2025. ([FINRA Case #2019060700302](#))

Brian Francis Giammona ([CRD #6386081](#), Chatham, New Jersey)

October 26, 2023 – An AWC was issued in which Giammona 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, Giammona consented to the sanctions and to the entry of findings that he improperly processed wire transfer requests from member firm customers by falsely stating on wire transfer documents that he had verbally spoken with the customers and confirmed their identity. The findings stated that Giammona instead processed wires according to requests made by the customers over email, without any verbal confirmation. Giammona also either falsely documented that the customer had correctly answered authentication questions or falsely attested that he had ascertained the customer's identity with 100% confidence. In addition, Giammona caused his firm to maintain inaccurate books and records.

The suspension is in effect from November 6, 2023, through February 5, 2024. ([FINRA Case #2022074075101](#))

Salvatore Gambino ([CRD #2846054](#), Franklin Square, New York)

October 27, 2023 – An AWC was issued in which Gambino was assessed a deferred fine of \$5,000, suspended from association with any FINRA member in all capacities for four months and ordered to pay \$3,500, plus interest, in deferred partial restitution to a customer. Two other customers will not receive partial restitution because they previously settled their claims with Gambino's member firm. Without admitting or denying the findings, Gambino consented to the sanctions and to the entry of findings that he made unsuitable recommendations in speculative alternative investments to three firm customers that were inconsistent with the customers' investment profiles. The findings stated that Gambino's recommendations to purchase GPB Automotive Portfolio limited partnership interests to the customers were unsuitable for the customers based on their age, income, net worth, risk tolerance, status as an unaccredited investor, and because Gambino's recommendation to one of the customers resulted in the over-concentration of his liquid net worth in alternative investments.

The suspension is in effect from November 6, 2023, through March 5, 2024. ([FINRA Case #2018060896801](#))

Nathan Wilks ([CRD #7291086](#), Naperville, Illinois)

October 27, 2023 – An AWC was issued in which Wilks was assessed a deferred fine of \$10,000 and suspended from association with any FINRA member in all capacities for nine months. Without admitting or denying the findings, Wilks consented to the sanctions and to the entry of findings that he willfully failed to amend his Form U4

to disclose unsatisfied judgments totaling approximately \$320,000. The findings stated that although Wilks was aware of a judgement that was entered in an Illinois state court, and had filed a motion seeking to vacate it, he responded no to that question on the Form U4 that his member firm filed. Wilks also falsely attested in a firm compliance questionnaire that he did not have any judgments entered against him. Following an inquiry by the firm, Wilks belatedly disclosed the judgment on his Form U4. In addition, Wilks never amended his Form U4 to disclose a judgment entered against him by a Wisconsin circuit court during a hearing where he appeared via telephone. Further, Wilks learned of additional outstanding judgements entered against him through correspondence with FINRA. However, Wilks never amended his Form U4 to disclose these judgments. The findings also stated that Wilks falsified a receipt that he submitted to the firm. After the firm learned of the outstanding judgments, it commenced an investigation into Wilks' conduct and financial condition. During a meeting with the firm's supervision department, Wilks stated that he was not aware of any other potential judgments, liens, or wage garnishments that could be filed against him. Later, the firm's email review flagged a collection notice that Wilks received, stating that he owed \$2,328. When the firm asked Wilks about the collection notice and why he did not disclose it during the meeting, Wilks stated that he had paid the debt before the meeting. After the firm asked for documentation, Wilks submitted a receipt to the firm showing the debt was paid. However, the original receipt Wilks received reflected a later payment date. Wilks altered the receipt to show an earlier payment date when he submitted it to the firm.

The suspension is in effect from November 6, 2023, through August 5, 2024. ([FINRA Case #2022074637301](#))

Decision Issued

The Office of Hearing Officers (OHO) issued the following decision, which has been appealed to or called for review by the National Adjudicatory Counsel (NAC) as of October 31, 2023. The NAC may increase, decrease, modify or reverse the findings and sanctions imposed in the decision. Initial decisions where the time for appeal has not yet expired will be reported in future FINRA Disciplinary & Other Actions.

Peter James Fetherston ([CRD #2108610](#), Garden City, New York)

October 20, 2023 – FINRA appealed an OHO Decision to the NAC. In the Decision, Fetherston was suspended from association with any FINRA member in all capacities for four months. The sanction is based on findings that Fetherston partially failed to respond to a FINRA request for information. The findings stated that Fetherston received checks made payable to him personally totaling \$89,000 from two long-time, experienced customers, a married couple. During its investigation into the purpose of these checks, Fetherston failed to respond to FINRA's request that he identify the medical expenses he purportedly paid with the funds his customers gave him. In determining the appropriately remedial sanction, the OHO considered that Fetherston's responses to other requests for information were often untimely, he

gave varying explanations about the circumstances surrounding his receipt and use of the customer funds, and that FINRA had to exert substantial pressure to obtain his other responses. Despite finding that Fetherston failed to identify any medical expenses he purportedly paid with the funds, the OHO found he substantially complied with FINRA's requests for information. Separately, the OHO determined that FINRA failed to prove, by a preponderance of the evidence, that Fetherston engaged in conversion and improper use of the funds provided by the married couple. The OHO had reservations about Fetherston's overall credibility. Specifically, the OHO determined that Fetherston lied to his firm about having invested the married couple's funds, then told FINRA—after much delay—that they gave him the funds to pay medical and other expenses but did not tell FINRA it was a loan, and then changed his story, yet again, and claimed that they loaned him the funds. Also, Fetherston testimony was at times vague, inconsistent, and evasive. In addition, Fetherston's document production did not support his statement that he used some of the funds to pay medical expenses. All of this undermined his credibility. However, to prove that Fetherston converted or made an improper use of the married couple's funds, FINRA had to show that Fetherston acted contrary to the married couple's instructions and permanently deprived them of their funds. However, the OHO determined that FINRA's case rested on the married couple's uncorroborated, unsworn, disputed, oral statements that presented a doubtful story leaving many open questions. The findings also included that the OHO determined that FINRA did not establish by a preponderance of the evidence that Fetherston provided false or misleading information or documents and on-the-record testimony during its investigation based upon the OHO's determination that FINRA had not proven by a preponderance of the evidence that Fetherston converted or made improper use of the married couple's funds.

The sanction is not in effect pending review. ([FINRA Case #2020065396501](#))

Complaints Filed

FINRA issued the following complaints. Issuance of a disciplinary complaint represents FINRA's initiation of a formal proceeding in which findings as to the allegations in the complaint have not been made, and does not represent a decision as to any of the allegations contained in the complaint. Because these complaints are unadjudicated, you may wish to contact the respondents before drawing any conclusions regarding the allegations in the complaint.

John David Sullivan ([CRD #2926996](#), Ellicott City, Maryland)

October 2, 2023 – Sullivan was named a respondent in a FINRA complaint alleging that he failed to provide documents and information requested by FINRA during an investigation into allegations that he engaged in a check kiting scheme by writing checks without sufficient funds across multiple personal accounts and a business

account. The complaint alleges that FINRA asked Sullivan for his personal and business tax returns for two years. In response, Sullivan produced incomplete personal returns and did not produce any business returns. Subsequently, in response to FINRA's request that Sullivan appear for on-the-record testimony, his counsel stated that Sullivan would not be able to appear for testimony due to an asserted personal medical condition. However, Sullivan did not provide any information about his medical condition. Sullivan's failure to provide documents responsive to FINRA's requests significantly impeded its investigation and deprived it of material information regarding his alleged check kiting scheme and subsequently, deprived it of material information regarding his asserted personal medical condition, which he claimed prevented him from appearing for testimony in this matter. Sullivan's testimony was also material to FINRA's investigation of his alleged check kiting scheme. ([FINRA Case #2020066257302](#))

Beliveau Bays ([CRD #6034987](#), Plano, Texas)

October 17, 2023 – Bays was named a respondent in a FINRA complaint alleging that he forged customers' electronic signatures on account applications and an account transfer form, without the customers' knowledge or permission. The complaint alleges that Bays provided false, incomplete, and misleading responses to FINRA requests for information and documents and testimony. FINRA opened an investigation into the allegations in Bays' initial Form U5 and customer complaints reported in his amended Form U5. The initial Form U5 stated that Bays' employment was terminated after he provided misrepresentations to his member firm in response to inquiries surrounding his submission of key person life insurance applications for non-licensed assistants. The customer complaints reported in the amended Form U5 alleged that Bays forged the customers' signatures on account applications. Bays responded to a request in writing stating that he was not aware of life insurance policies being sold to two associated persons and that he was not aware of any commissions being earned. Bays' response was false and misleading. At the time of Bays' response, he had earned over \$720 in commissions from a still active life insurance policy for one of the associated persons issued by an insurance company, and over \$561 in commissions from a still active insurance policy for the other associated person issued by another insurance company. The complaint also alleges that Bays gave false and misleading statements to insurance companies, FINRA, and his firm. Bays provided false and misleading information on insurance applications, in a Professional Profile form, in an email, and in response to a FINRA request, including requests that do not specifically cite FINRA Rule 8210. In addition, Bays falsely stated that one of the associated persons did not have accounts under Bays' management at the firm. The complaint further alleges that Bays caused his firm to make and preserve inaccurate books and records by forging the customers signatures and by overstating customers annual income and net worth on new account applications. ([FINRA Case #2021070734301](#))

Stewart Ginn ([CRD #4503197](#), Encinitas, California)

October 17, 2023 – Ginn was named a respondent in a FINRA complaint alleging that he churned and excessively traded customer accounts. The complaint alleges that none of the customers was an aggressive investor, one of the customers was in her late 80s and suffering from a cognitive disability; ; a second retired customer was in her late 70s; and a third retired customer was between 69 and 71 years old. Ginn engaged in frequent in-and-out trades in the customer accounts, while charging high commissions on both buys and sells. Ginn's trading caused the customers to incur realized losses of more than \$2.22 million, while generating more than \$2.24 million in commissions for him and his member firm. Ginn routinely recommended that the customers buy large equities positions, which he often quickly sold, even when the price of the stocks had changed only minimally. Because of the high commissions Ginn charged—generally three percent on buy transactions and two percent on sell transactions—the customers routinely incurred losses on such trades. Acting with scienter and with de facto control over the customer accounts, Ginn churned these accounts in willful violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and in violation of FINRA Rule 2020. By excessively trading the accounts of retail customers, Ginn willfully violated the Best Interest Obligation under Rule 15l-1(a)(1) of the Exchange Act (Regulation BI). The complaint also alleges that Ginn recommended a series of transactions to one of the customers that was excessive and quantitatively unsuitable in light of the customer's investment profile. The complaint further alleges that in a majority of the customer accounts, Ginn improperly traded on discretion and frequently engaged in buying and selling securities without obtaining customer authorization for each transaction. Disregarding the cumulative impact of his excessive, high-cost trading, Ginn persisted in placing frequent trades in each of the customers' accounts, even as each account incurred substantial realized losses. Ginn's trading resulted in annualized cost-to-equity ratios (or break-even points) of between 14 percent to 27 percent in the customers' accounts, making it unlikely they would realize a profit. ([FINRA Case #2021072167901](#))

Jose Luis Centeno ([CRD #6368188](#), Secaucus, New Jersey)

October 20, 2023 – Centeno was named a respondent in a FINRA complaint alleging that he falsified member firm records to show that he had reviewed exception reports assigned to him in his capacity as a compliance officer when, in fact, he had not reviewed these exception reports. The complaint alleges that Centeno falsified the record of his review of assorted exception reports that were stored in the firm's system, by opening the reports, typing "Reviewed" into the notes fields, and clicking on the button labeled "Reviewed," without having conducted a review of any of the reports. Centeno also falsified the record of his review of Low Volume reports in the firm's daily compliance checklist by typing his initials into the checklist to falsely signify that he had reviewed the reports. Centeno falsified the record of his review of these exception reports to give his firm the false impression he was performing his job responsibilities. ([FINRA Case #2020066079903](#))

James Brett Stuart ([CRD #3022149](#), Castle Rock, Colorado)

October 27, 2023 – Stuart was named a respondent in a FINRA complaint alleging that he failed to establish, maintain, and enforce a supervisory system, including WSPs, that was reasonably designed to achieve compliance with the Care Obligation of Rule 15l-1 of the Exchange Act (Reg BI) and FINRA Rule 2111, as they pertain to excessive trading. The complaint alleges that Stuart was responsible for establishing and maintaining his member firm's WSPs, which did not describe how the firm should identify or respond to red flags of possible excessive trading and did not address Reg BI at all following its effective date. Stuart also failed to reasonably supervise trading in customer accounts. Stuart did not review alerts received by his firm showing that the accounts had been charged high commissions equaling at least 30 percent of their value, and he did not otherwise take any steps to determine whether frequent and high-cost trades in the accounts were consistent with the customers' investment profiles. In addition, Stuart failed to identify or respond reasonably to red flags of possible excessive trading in the customers' accounts. In fact, the trading recommended in the accounts resulted in cost-to-equity ratios of approximately 30 percent and total costs of approximately \$236,500 and \$22,000 for each account, respectively. The complaint also alleges that Stuart failed to appear for on-the-record testimony that FINRA requested as part of its investigation into his supervision of a registered representative. Stuart initially appeared for on-the-record testimony but during the course of that testimony and before the testimony was complete, he requested that the testimony be adjourned. FINRA agreed to adjourn the remainder of the testimony to a later date and issued subsequent requests for Stuart to appear again to complete his testimony. However, Stuart failed to appear to complete his testimony. ([FINRA Case #2019062948102](#))

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

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

Securities Capital Corporation (CRD #22892)

Birmingham, Alabama
(October 5, 2023)
FINRA Case #20230790019/FPI230003

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.)

Thomas Nathaniel Cole III (CRD #3194938)

Indianapolis, Indiana
(October 3, 2023)
FINRA Case #2022075426902

Daniel Zachariah Ditch (CRD #7099200)

Manor, Texas
(October 16, 2023)
FINRA Case #2022077406801

Stephen Jones (CRD #7454000)

Troy, Michigan
(October 30, 2023)
FINRA Case #2023078063901

Robert Leo Luley Jr. (CRD #4176139)

Rock Hill, South Carolina
(October 24, 2023)
FINRA Case #2018060896201

Hector Robert Negrete (CRD #4718683)

Manteca, California
(October 30, 2023)
FINRA Case #2023078591501

Louis No (CRD #6541585)

Pittsford, New York
(October 2, 2023)
FINRA Case #2022075500001

Shawn Michael O'Connell (CRD #4007788)

Tinton Falls, New Jersey
(October 30, 2023)
FINRA Case #2022076563501

Chanda Rae Tokuda Park (CRD #7174844)

Honolulu, Hawaii
(October 2, 2023)
FINRA Case #2023077852201

William Tyler Rodriguez (CRD #7170446)

Stonewall, Louisiana
(October 2, 2023)
FINRA Case #2022074643101

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 Philip Capolongo (CRD #5702165)

Bethpage, New York
(October 30, 2023)
FINRA Case #2021073144301

Michael Fasciglione (CRD #1806486)
 Bellmore, New York
 (October 23, 2023)
 FINRA Case #2023078623001

Isaiah Frection (CRD #7490696)
 Metairie, Louisiana
 (October 30, 2023)
 FINRA Case #2022077199001

Johnathan Paul Hagood (CRD #6778355)
 Los Angeles, California
 (October 27, 2023)
 FINRA Case #2023077635001

Christopher William Lynch (CRD #3271153)
 Sayre, Pennsylvania
 (October 2, 2023)
 FINRA Case #2022076850401

John Celon Rabulan (CRD #6946631)
 Virginia Beach, Virginia
 (October 2, 2023)
 FINRA Case #2023078315301

Dennis Vincent Riordan (CRD #2412563)
 Brandon, South Dakota
 (December 3, 2021 – October 12, 2023)
 FINRA Case #2020068836601

Adriano Schultz (CRD #6110664)
 Sparks, Nevada
 (October 30, 2023)
 FINRA Case #2023078838901

Brittney Ann Stagnitto (CRD #7268244)
 Fairfield, New Jersey
 (October 30, 2023)
 FINRA Case #2022073930001

Anthony Thomas Vadino (CRD #874586)
 Saline, Michigan
 (October 13, 2023)
 FINRA Case #2023077796101

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.)

John Richard Carlson (CRD #3098410)
 Minot, North Dakota
 (October 18, 2021 – October 31, 2023)
 FINRA Arbitration Case #19-00571

John Knox Goodwin (CRD #712634)
 Bayville, New Jersey
 (October 4, 2023)
 FINRA Case #20230791661/ARB230012/
 Arbitration Case #22-01621

Jane Terry (CRD #1038553)
 Santa Fe, New Mexico
 (October 5, 2023)
 FINRA Case #20230793153/ARB230013/
 Arbitration Case #21-00097

Armando Wood (CRD #4983773)
 Spring, Texas
 (December 3, 2015 – October 19, 2023)
 FINRA Arbitration Case #14-03753