Disciplinary and Other FINRA Actions

Firm Expelled

Alpine Securities Corporation (CRD #14952, Salt Lake City, Utah)
April 7, 2025 – The firm appealed a National Adjudicatory Counsel (NAC) decision to the Securities and Exchange Commission (SEC). The firm was expelled from FINRA membership and ordered to pay $802,678.77 in restitution to its customers. The NAC imposed an expulsion for the firm's unreasonable and unfairly discriminatory $5,000 monthly account fee, unauthorized transactions and improper use and conversion of customer assets. The NAC separately imposed an expulsion for the firm's unfair pricing of hundreds of securities transactions. In addition, the NAC assessed a one-year suspension of the firm's membership and a $75,000 fine for its unauthorized withdrawal of its capital, however, it did not impose these sanctions considering the expulsions. On appeal from the Office of Hearing Officers (OHO), the NAC affirmed in part and modified the findings, and modified the sanctions. The sanctions were based on findings that the firm implemented an unreasonable and unfairly discriminatory $5,000 monthly account fee at an arbitrary amount not related to any service the firm supplied customers or the costs it incurred to provide such service. The findings stated that instead, the firm intentionally adopted and charged the fee to compel the immediate closure of accounts and, for any remaining customers, as a source of a minimum sum of revenue, or "toll," that it wanted to extract from their accounts. However, the NAC found that Enforcement failed to prove that the other firm fees were unreasonable, as OHO found. The NAC's findings also stated that the firm made unauthorized transfers of securities and misused and converted customer assets. First, the firm improperly used and converted customer assets when it, without customer authorization, took the funds and securities from customer accounts and transferred them to firm accounts to pay for the unreasonable $5,000 monthly account fee. Second, over a three-day period, the firm unilaterally removed from all customer accounts securities positions worth $1,500 or less by deeming them "worthless." The firm removed a total of 2,235 securities positions, valued at $349,340, from more than 1,400 accounts and transferred the positions to the firm proprietary account. In each of these "worthless" securities transactions, the firm purchased the securities position for one penny and moved the position to the firm's "worthless securities account" without the customers' consent. Finally, the firm treated customer accounts "abandoned" and, without authorization, transferred securities from customer accounts to accounts that the firm controlled. In addition, the NAC found that the firm paid unfair prices in principal transactions in which it imposed a market-making fee. However, the NAC found that Enforcement failed to prove that the firm's compensation was excessive in certain agency transactions. Unfair

Reported for June 2025

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

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Visit **www.finra.org/disciplinaryactions** to search for cases using key words or phrases, specified date ranges or other criteria.

pricing claims relating to the "worthless" securities transactions were also dismissed. The NAC also found that the firm effected one unauthorized withdrawal of the firm's capital when it paid $610,372.98 to its landlord and an affiliated entity operated by its chief compliance officer (CCO), for "common area maintenance" charges.

The sanctions are not in effect pending SEC review. (**FINRA Case #2019061232601**)

Firm Fined, Individual Sanctioned

Percival Financial Partners, Ltd. (CRD #41813, Columbia, Maryland) and Kenneth Percival Taylor Sr. (CRD #2166330, Columbia, Maryland)
April 21, 2025 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured and fined $150,000, jointly and severally with Taylor, the firm's CEO. Taylor was also fined $15,000, suspended from association with any FINRA member in any principal capacity for two years, and required to requalify by examination as a principal prior to acting in that capacity with any FINRA member. Without admitting or denying the findings, the firm and Taylor consented to the sanctions and to the entry of findings that the firm conducted a securities business while failing to maintain its required minimum net capital and that Taylor made capital withdrawals while the firm was net capital deficient. The findings stated that the deficiency occurred as a result of the firm's misclassification of non-allowable assets and Taylor's equity withdrawals. The findings also stated that the firm failed to timely file required notices of its net capital deficiencies with FINRA and the SEC. Taylor, as the firm's Financial and Operations Principal (FINOP), was responsible for the firm timely filing financial notifications when it was net capital deficient. The findings also included that the firm filed inaccurate Financial and Operational Combined Uniform Single (FOCUS) and annual audit reports and maintained inaccurate books and records because Taylor inaccurately recorded his capital withdrawals as loans on the firm's general ledger, inaccurately recorded a $100,000 transfer to the firm as additional paid-in capital and failed to accurately record a $450,000 advanced deposit as a firm liability, which led the firm to inaccurately calculate the firm's net capital. Moreover, the firm failed to timely file its 2022 annual audit report. Taylor submitted four amended versions of the firm's 2022 annual audit report. However, each of these reports was rejected because each version continued to contain material inaccuracies or was materially incomplete. The firm has not filed an accurate and complete 2022 annual audit report to date, and, as a result, the firm has been suspended from FINRA membership since April 2023. FINRA also found that the firm conducted a securities business while suspended from FINRA membership. Despite being on notice of being suspended for failing to submit the firm's 2022 annual audit report since April 2023, and being informed on at least

six occasions that the suspension remained in effect, Taylor permitted the firm to continue to conduct a securities business during the suspension. Specifically, the firm continued to engage in its transition management business.

Taylor's principal capacity suspension is in effect from May 19, 2025, through May 18, 2027. (**FINRA Case #2022076084101**)

Firms Fined

Revere Securities LLC (CRD #14178, New York, New York)
April 2, 2025 – An AWC was issued in which the firm was censured and fined $125,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it mismarked order tickets as unsolicited when, in fact, nearly all the transactions were solicited. The findings stated that the firm had a practice of marking order tickets in syndicate offerings as unsolicited because such SEC-registered offerings are sold only by prospectus, regardless of whether the registered representative recommended the transaction to the customer. Accordingly, in syndicate offerings, the firm mismarked thousands of trade tickets for investments in syndicate offerings of Initial Public Offerings (IPOs), bonds, and REITs as unsolicited. In fact, the firm's registered representatives had solicited most of these syndicate trades. (**FINRA Case #2021069142301**)

Financial Northeastern Securities, Inc. (CRD #17007, Fairfield, New Jersey)
April 4, 2025 – An AWC was issued in which the firm was censured and fined $60,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to timely report to the Trade Reporting and Compliance Engine (TRACE) transactions in TRACE-eligible corporate debt securities due to manual entry errors and delays. The findings stated that the firm previously received written warnings from FINRA for untimely reporting of TRACE-eligible securities. (**FINRA Case #2022074681101**)

Liberty Partners Financial Services, LLC (CRD #130390, Raleigh, North Carolina)
April 4, 2025 – An AWC was issued in which the firm was censured and fined $55,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it violated Rule 15l-1(a)(1) of the Securities Exchange Act of 1934 (Exchange Act) (Reg BI) by failing to establish, maintain, and enforce written policies and procedures reasonably designed to achieve compliance with Reg BI's Care Obligation in connection with recommendations of non-traditional exchange traded products (non-traditional ETPs). The findings stated that the firm did not maintain any restrictions or approval process with respect to recommendations of non-traditional ETPs, and did not use any alerts exception reports, or other supervisory tools with respect to these products. The firm did not establish a

supervisory system reasonably designed to achieve compliance with the requirement that representatives have a reasonable basis to recommend non-traditional ETPs to retail customers, including that they consider the intended holding periods identified in the products prospectuses. The firm later added procedures concerning non-traditional ETPs to its written policies. The findings also stated that the firm failed to make and preserve accurate books and records, filed inaccurate FOCUS reports, and conducted a securities business while failing to maintain the required minimum net capital. The firm misclassified as allowable assets certain fees that it was scheduled to receive from mutual fund issuers but were owed to firm representatives. This resulted in the firm overstating its net capital in its books and records and in FOCUS reports it filed. In addition, the firm's misclassification of the fees resulted in the firm being net capital deficient from July 31, 2023, through August 7, 2023. Further, the firm conducted a securities business on five days during that period. The findings also included that the firm failed to conduct independent testing of its anti-money laundering (AML) program. In addition, the firm failed to maintain any written AML policies or procedures regarding the testing requirement. The firm later conducted independent AML testing and added procedures regarding the testing requirement to its written AML program. (**FINRA Case #2023077098101**)

TP ICAP Global Markets Americas LLC (CRD #2762, New York, New York)
April 4, 2025 – An AWC was issued in which the firm was censured, fined a total of $80,000, of which $40,000 is payable to FINRA, and required to comply with the undertakings enumerated in this AWC. 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 achieve compliance with applicable securities laws and regulations and FINRA rules prohibiting potentially manipulative trading. The findings stated that the firm lacked a supervisory system reasonably designed to detect potential spoofing and layering activity. The firm implemented a surveillance report intended to detect instances of potential spoofing and layering but did not establish written supervisory procedures (WSPs) that identified the report or how it was to be reviewed. The firm later revised its WSPs to address use of the surveillance report, including by describing the report, the party responsible for its review, the actions to be taken by the reviewer, and the frequency of review. In addition, the firm's surveillance parameters were too narrow to reasonably detect instances in which customers potentially marked the close. The firm later revised the parameters it used to conduct reviews of daily trading blotters to identify potential marking the close. The revised parameters unreasonably limited the firm's surveillance for marking the close to transactions that were executed in the last five minutes of trading and comprised greater than 25 percent of that day's trading volume in the security being traded. As a result of the firm's unreasonably narrow surveillance parameters, the firm failed to identify red flags of marking the close in 45 transactions. The firm later revised its procedures, implementing an

automated exception-based surveillance report with expanded parameters designed to identify red flags of marking the close transactions. The findings also stated that the firm's surveillance parameters were too narrow to reasonably identify potentially manipulative wash trades. The firm's review parameters unreasonably limited the firm's surveillance for potential wash trades to trades that occurred in the same millisecond. By limiting its review to transactions occurring in the same millisecond, the firm failed to identify red flags of wash trading in eight transactions. The firm later amended its procedures to expand the review parameters for wash trade surveillance. (**FINRA Case #2021072004801**)

Joseph Stone Capital L.L.C. (CRD #159744, Garden City, New York)
April 11, 2025 – An AWC was issued in which the firm was censured and fined $35,000. 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 supervisory procedures reasonably designed to comply with FINRA Rule 3170 (the Taping Rule). The findings stated that the firm's special written procedures provided no time period by which the responsible principals must complete the supervisory reviews. Further, although the procedures directed that principals pay "attention" for potential sales practice concerns, they did not provide guidance about the steps principals should take upon identifying such concerns. In addition, the firm failed in certain instances to implement and enforce its special written procedures to ensure that it recorded all telephone conversations between its registered representatives and existing and potential customers. Moreover, the firm's special written procedures allowed registered representatives to use their cell phones to conduct business, but the special written procedures were not reasonably designed to ensure all phone calls between registered representatives and existing and potential customers were recorded. Further, the firm failed to retain all call recordings for the required three-year period. The firm is no longer subject to the Taping Rule, but it continued to comply with the Taping Rule requirements for a period of six months on a voluntary basis. (**FINRA Case #2022076525101**)

MD Global Partners, LLC (CRD #140988, New York, New York)
April 11, 2025 – An AWC was issued in which the firm was censured and fined $40,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it willfully violated Reg BI by failing to fully establish, maintain, and enforce written policies and procedures reasonably designed to achieve compliance with Reg BI. The findings stated that despite the firm's awareness of Reg BI's June 30, 2020, implementation date, the firm's WSPs from June 30, 2020, to December 2022 contained no provisions related to compliance with Reg BI. The firm subsequently revised its WSPs to provide guidance regarding Reg BI. In addition, the firm failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with

Reg BI. The firm's WSPs failed to detail the supervisory steps and reviews that should be undertaken by the principal responsible for supervising compliance with Reg BI, including the frequency of those reviews or how they should be documented. The findings also stated that the firm failed to timely file required documents with FINRA for private placement offerings. Instead of making the required filings for these offerings within 15 calendar days of the date of first sale, the firm made the filings between one month and almost a year and a half after the date of first sale, and in one case failed to make the required filings at all. The findings also included that the firm did not prepare a report evidencing its compliance and supervisory processes, and it did not complete its annual certification of compliance and supervisory processes for five years. (**FINRA Case #2021069346201**)

Sonenshine & Company LLC (CRD #104357, New York, New York)
April 15, 2025 – An AWC was issued in which the firm was censured, fined $20,000, and required to comply with the undertakings enumerated in this AWC. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish and implement policies, procedures, and internal controls reasonably designed to achieve compliance with the Bank Secrecy Act (BSA) and its implementing regulation that required the firm to search its records in response to Financial Crimes Enforcement Network (FinCEN) requests. The findings stated that FINRA warned the firm in 2017 that it was not complying with FINRA Rule 3310(b) as to FinCEN requests. Despite this, the firm's written AML procedures fail to provide any guidance on how to search firm records in response to FinCEN requests. Moreover, the written procedures do not establish any process for monitoring or otherwise supervising whether the firm timely reviewed and responded to FinCEN requests. Furthermore, the firm did not review or respond to any FinCEN requests from March 2021 through August 2021. The firm was unaware of these failures until FINRA identified them in 2021. The findings also stated that the firm failed to establish and implement annual independent testing for AML compliance. FINRA warned the firm in 2017 that it was required to conduct annual AML independent testing. Despite this, the firm's written AML procedures only required such testing every two years until December 2023. Furthermore, the firm failed to conduct AML independent testing in at least calendar years 2020 and 2022. (**FINRA Case #2021069276401**)

J.P. Morgan Securities LLC (CRD #79, New York, New York)
April 21, 2025 – An AWC was issued in which the firm was censured and fined a total of $650,000, of which $150,384 is payable to FINRA. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it filed untimely and inaccurate restricted period and trading notifications with FINRA in connection with its participation in distributions of securities subject to Regulation M under the Exchange Act (Reg M). The findings stated that for the

inaccurate notifications, the firm did not identify all the distribution participants in the distributions, did not properly identify distribution participants as FINRA members, or did not include the correct Central Registration Depository (CRD) number for member firms. The findings also stated that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to achieve compliance with FINRA Rule 5190. With respect to restricted period notifications, the firm lacked a reasonable supervisory system to ensure that the notifications were timely filed for certain distributions with marketing periods shorter than the length of the applicable restricted periods. Although the firm was aware it was a distribution participant prior to the date it became lead manager, it did not file the restricted period notification until the date that it was designated as lead manager and the marketing of the distribution began. The firm did not conduct reasonable reviews of the notifications to determine whether the information in the notifications was accurate, instead relying solely on automated features of the firm's deal management system to help prevent inaccuracies. The firm also lacked reasonable systems and procedures, including WSPs, to verify that it filed amended restricted period notifications reflecting the addition of distribution participants after the initial notifications were filed. Subsequently, certain of the firm's restricted period notifications did not accurately reflect all distribution participants. The firm has since corrected the CRD inaccuracies in its deal management system, updated its WSPs to require the filing of amended notifications when distribution participants joined after the filing of the initial restricted period notification, and revised its procedures to confirm that notifications were reviewed for both timeliness and accuracy. (**FINRA Case #2021069491201**)

American Trust Investment Services, Inc. (CRD #3001, Whiting, Indiana)
April 22, 2025 – An AWC was issued in which the firm was censured, fined $100,000, ordered to pay $166,000 in restitution to customers, and required to comply with the undertakings enumerated in this AWC. A lower fine was imposed after considering, among other things, the firm's revenue and financial resources and its agreement to pay restitution. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to reasonably supervise sales of corporate bonds for compliance with Reg BI. The findings stated that the bonds were speculative, risky and illiquid alternative investments. After firm customers made investments in the bonds, the company defaulted on its obligations to investors and suspended further sales of the bonds. Subsequently, the company filed for bankruptcy. The firm failed to reasonably supervise registered representatives' recommendations to purchase the bonds. Three of the firm's representatives recommended purchases of the bonds to customers that were not in the best interest of the retail customers or suitable for the non-retail customers. The customers included, among others, two seniors, two retirees, and a non-profit entity that invested through a financial committee. The firm did not have a

reasonable process for assessing whether the representatives were developing and making recommendations to retail customers in compliance with the Care Obligation of Reg BI or to non-retail customers in compliance with suitability obligations. The findings also stated that the firm willfully violated Reg BI by failing to establish and maintain written policies and procedures, and a supervisory system, reasonably designed to achieve compliance with Reg BI. The firm failed to implement any written policies and procedures relating to Reg BI and the policies and procedures that the firm has implemented have discussed Reg BI only in general terms, without prescribing procedures for complying with Reg BI. In addition, the firm's WSPs have not provided for controls to prevent violations of Reg BI. The findings also included that the firm sold unregistered securities without an applicable exemption and failed to establish, maintain, and enforce a reasonable supervisory system related to the sale of unregistered securities. The firm sold private placement offerings under Rule 506(b) of Regulation D of the Securities Act of 1933 (Securities Act) without having established pre-existing, substantive relationships with the offerees. In those offerings, the firm sold securities totaling approximately $6 million to customers without having established substantive relationships with them prior to the firm's participation in the offerings. As a result, each of those sales constituted an unregistered distribution of securities without an applicable exemption from registration. As a result, the firm acted in contravention of Section 5 of the Securities Act. Furthermore, the firm failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to achieve compliance with Securities Act rules regarding general solicitations. The firm had no system for reviewing whether its representatives engaged in general solicitations of Rule 506(b) offerings. Furthermore, despite claiming pre-existing, substantive relationships with prospective investors in many instances, the firm had no system for verifying before soliciting whether and how the firm or its representatives had such relationships. FINRA found that the firm failed to establish, maintain, and enforce a supervisory system, including WSPs, reasonably designed to address background investigations of persons the firm seeks to register with FINRA. Although the firm has designated its hiring committee with responsibility for reviewing potential new registrants, the firm's WSPs do not detail how the committee should evaluate new registrants for good character, business reputation, qualifications, and experience. Nor do the WSPs establish a process for verifying the accuracy and completeness of the information contained in associated persons' Uniform Applications for Securities Industry Registration or Transfer (Forms U4), or for ensuring that the firm has contacted associated persons' employers from the last three years. FINRA also found that the firm failed to maintain a reasonable supervisory system and WSPs regarding its review of outside business activities (OBAs). First, the WSPs do not detail the firm's process for reviewing and approving registered persons' OBAs. Second, the firm's review process did not address whether the activity could be viewed by customers or the public as part of the member's business. Third, the firm's supervisory system

was not reasonably designed to achieve compliance with the firm's obligation to preserve records of its compliance with FINRA Rule 3270.01. In addition, FINRA determined that the firm failed to timely or adequately conduct office of supervisory jurisdiction (OSJ) and branch office inspections in 2021 and 2022 even though the SEC notified the firm in November 2020 of deficiencies in its 2018 and 2019 inspections of OSJs and branch offices. First, the firm did not conduct the required annual inspections of two OSJs during the calendar year 2021. Second, the firm failed to include in its written inspection reports—for two OSJs and a branch office in 2021, and for two additional OSJs in 2022—that the firm had tested and verified these locations' policies and procedures regarding the safeguarding of customer funds and securities, supervision of supervisory personnel, transmittal of customer funds and securities, and changes of customer account information. The written inspection reports did not describe what, if anything, the firm reviewed in those areas, how the firm performed those reviews, or how the firm determined that there were no issues or concerns in those areas. Third, one of the OSJ inspections that the firm performed in 2021 was conducted by a person who was assigned to that OSJ. (**FINRA Case #2020068655902**)

SpeedRoute LLC (CRD #104138, Jersey City, New Jersey)
April 22, 2025 – An AWC was issued in which the firm was censured and fined a total of $300,000, of which $75,000 is payable to FINRA. The firm's limited ability to pay was considered in connection with the monetary sanctions imposed in this matter. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to establish, document, and maintain risk management controls and supervisory procedures reasonably designed to manage the risks associated with its market access activity. The findings stated that the firm's deficiencies included that it failed to implement reasonable credit controls and procedures and failed to implement reasonable erroneous order controls and procedures. The firm did not consider each new client's financial condition when setting initial credit limits. Instead, the firm established limits by comparing limits each client proposed against limits for existing clients that the firm considered comparable to the new one. The firm was unable to provide a reasonable rationale or documentation, including WSPs, supporting its methodology for determining initial credit limits, such as its process for determining which existing clients were comparable and identifying which existing clients to include or exclude in its comparisons. In addition, the firm failed to maintain reasonable maximum order rate and duplicate order rate limits. The findings also stated that the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to detect and investigate potentially manipulative trading. The firm used unreasonably designed parameters to detect and prevent wash sales, layering, and spoofing. The firm's surveillance for layering and spoofing only generated an alert if there were seven or more potentially layered open orders, even

though layering can be accomplished with fewer orders. The firm failed to allocate sufficient resources to reviewing surveillance alerts, and the firm's employees were not sufficiently experienced or trained to review surveillance alerts, resulting in delayed and incomplete reviews. Despite the volume of alerts generated, the firm assigned only one employee (except for a three-month period) to review alerts for potentially manipulative trading in addition to their other compliance duties. As a result, the reviewer was unable to timely review the thousands of alerts being generated each month, often fell weeks or months behind in reviewing the alerts, and in some instances failed to conduct reviews at all. The firm also adopted unreasonably narrow sampling methods to determine which alerts to review and did not reasonably investigate the surveillance alerts it did review. The firm remediated its unreasonable WSPs by amending them to describe the surveillance review and escalation process. The findings also included that the firm failed to develop and implement a reasonably designed AML compliance program. The firm did not tailor its AML program to reasonably detect and cause the reporting of suspicious transactions in low-priced securities as its AML procedures did not identify red flags associated with suspicious trading in low-priced securities or provide guidance about how to identify or address those red flags. The firm's AML procedures chiefly identified red flags related to retail customer account activity, even though it had no retail customers, and those red flags were not applicable to its business. Later when the firm decided to stop trading in low-priced over-the-counter (OTC) securities, it updated its AML procedures to state that it no longer accepted orders in low-priced OTC securities. However, the firm did not reasonably implement those procedures, and it inadvertently continued to accept orders and execute trades in certain low-priced securities and did not reasonably monitor this trading for suspicious activity. The firm also conducted independent testing of its AML compliance program that was not reasonably designed because it did not evaluate whether its program could reasonably be expected to detect and cause the reporting of suspicious trading in low-priced securities and whether it had a reasonable due diligence program for its foreign financial institution accounts. (**FINRA Case #2019062225601**)

Regulus Financial Group, LLC (CRD #150631, Kentwood, Michigan)
April 24, 2025 – An AWC was issued in which the firm was censured and fined $20,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it willfully violated Section 17(a)(1) of the Exchange Act and Exchange Act Rule 17a-14 by filing and delivering to customers a customer relationship summary (Form CRS) that omitted required information. The findings stated that the firm did not disclose its own and its control affiliate's disciplinary history in the firm's Form CRS. After the firm filed its initial Form CRS and an amended Form CRS, FINRA cautioned it that its responses regarding legal or disciplinary history on these Forms CRS were incomplete or misleading. Later, the firm filed two additional amended Forms CRS. Although the firm had prior reportable legal or disciplinary history, it did not respond "Yes" or direct retail

investors to Investor.gov/CRS in response to the question concerning legal or disciplinary history. Instead, the firm erroneously stated on both Forms CRS: "Yes, although the firm does not, some of our financial professionals do have a legal or disciplinary history." Subsequently, a firm control affiliate agreed to the imposition of legal or disciplinary history that was required to be disclosed on the firm's Uniform Application for Broker-Dealer Registration (Form BD). In two instances, the firm also had additional legal or disciplinary history that was required to be disclosed on its Form BD. However, the firm did not file an amended Form CRS to disclose its and its control affiliate's legal and disciplinary history. Subsequently, the firm filed an amended Form CRS that responded "Yes" to the question concerning legal or disciplinary history and directed retail investors to Investor.gov/CRS. (**FINRA Case #2023077077001**)

TradeUp Securities, Inc. fka Marsco Investment Corporation (CRD #18483, New York, New York) and US Tiger Securities, Inc. (CRD #120583, New York, New York)
April 25, 2025 – An AWC was issued in which TradeUp Securities, Inc. (TradeUp) was censured, fined $700,000, and required to comply with the undertaking enumerated in this AWC. US Tiger Securities, Inc. (US Tiger) was censured and fined $250,000. Without admitting or denying the findings, the firms consented to the sanctions and to the entry of findings that they failed to develop and implement reasonably designed AML programs. The findings stated that the firms' AML programs were not reasonably designed to detect and report potentially suspicious transactions given its business. Both firms serviced foreign financial institution omnibus accounts that transacted in thinly traded low-priced securities. US Tiger relied on a manual review of its daily trade blotter and two daily reports generated from its order management system to detect and review for red flags in securities trading. Neither the blotter nor the daily reports identified patterns for review of potentially suspicious activity. US Tiger later began to use exception reports designed to identify patterns of suspicious activity, including wash trades and spoofing. However, these reports generated significant false positives and US Tiger did not regularly review them. US Tiger also reviewed outgoing securities and money movements but failed to routinely review incoming securities and money movements. As a result, US Tiger did not have a reasonable system in place to identify potentially suspicious deposits of low-priced securities. US Tiger ultimately transferred the foreign financial institution omnibus accounts to TradeUp and took steps to update its AML procedures. TradeUp primarily relied on a manual review of the daily trade blotter to identify suspicious trading. However, the daily blotter review was not reasonably designed because it did not identify patterns for review of potentially suspicious activity across accounts or multiple days. TradeUp had access to exception reports including alerts specific to wash trades and spoofing. However, these reports generated significant false positives and did not allow for review of potentially suspicious trading patterns across accounts or days. These reports also failed to flag escalating buy order patterns within and across the foreign financial institution omnibus accounts.

TradeUp did not have procedures or guidance for reviewing the available reports, and as a result, any review performed was ad hoc and not comprehensive. As a result, TradeUp failed to detect potentially suspicious trading activity in thinly traded low-priced securities. Further, TradeUp failed to timely review the wash trade and spoofing reports and investigate any potential red flags identified in those reports and failed to conduct any AML review of deposits of low-priced securities in the omnibus accounts of its foreign affiliates. TradeUp developed proprietary in-house exception reports to surveil activity in low-priced securities. However, the reports provided inaccurate information regarding trade volume and quantities of stock transfers and money movements due to coding errors. As a result, TradeUp failed to detect and investigate potentially suspicious securities deposits. The findings also stated that US Tiger failed to establish and implement, and TradeUp failed to implement, a reasonable due diligence program designed to assess the money laundering risk posed by foreign financial institution correspondent accounts. US Tiger's procedures both failed to set forth any guidelines specific to the due diligence or review of correspondent accounts of foreign financial institutions and incorrectly stated that it did not have or intend to open any correspondent accounts for foreign financial institutions. Further, US Tiger designated three correspondent accounts held by a foreign financial institution that had received a formal warning from its local regulator for AML deficiencies as "low-risk." TradeUp failed to conduct due diligence of foreign financial institution correspondent accounts. Among the foreign financial institution correspondent accounts that TradeUp carried for the foreign affiliates were accounts actively trading in low-priced securities, and accounts that included as customers other foreign financial institutions, offshore banks, money service businesses, and politically exposed persons. TradeUp did not assess the risks posed by these accounts until it identified the accounts as "high-risk." After identifying the accounts as high-risk, the firm did not implement risk-based controls or procedures specific to these accounts. The findings also included that the firms failed to retain and review communications on an electronic instant messaging and document sharing platform provided by their parent entity. Employees of affiliated firms used the platform to communicate internally, with employees of the other broker-dealer, and with their foreign affiliates (who were also firm customers) for business-related purposes such as back-office and operational matters. The firms' WSPs did not address the use of the platform, describe how associated persons could use the platform, or set forth how the firms would review and preserve communications made or documents shared through the platform. Neither firm performed any supervisory review of communications made through the platform, or took any steps to preserve communications or documents shared through the platform. As a result of an automatic-deletion feature, internal and external communications to or from the firms' employees were deleted prior to the expiration of the three-year retention period. Both firms ultimately stopped using the platform. (**FINRA Case #2022073322301**)

Interactive Brokers LLC (CRD #36418, Greenwich, Connecticut)
April 29, 2025 – An AWC was issued in which the firm was censured, fined $400,000, and required to comply with the undertakings enumerated in this AWC. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report to FINRA accurate statistical and summary information regarding written customer complaints it received. The findings stated that the firm did not establish, maintain, and enforce a system, including WSPs, reasonably designed to achieve compliance with FINRA Rule 4530(d). The firm's procedures did not provide reasonable guidance to client service representatives responsible for reviewing written customer communications on how to identify and report to FINRA customer complaints as required. Further, although the procedures provided a definition of a customer complaint, they referred to FINRA Rule 4513 that sets forth recordkeeping requirements related to written customer complaints) and not Rule 4530.08's requirement that member firms report any written grievance by a customer that concerns the member or one of its associated persons. In addition, certain training materials the firm provided to client service representatives provided too narrow a definition of the types of grievances that should be reported. The findings also stated that due to human error, the firm failed to report to FINRA findings by regulatory bodies that the firm had violated securities-, commodities-, financial-, or investment-related laws, rules or regulations, and an action where the firm was the subject of a claim for damages by a customer relating to the provision of financial services or a financial transaction and the settlement amount exceeded $25,000. In addition, the firm failed to promptly file with FINRA copies of civil complaints and arbitration claims. The firm later self-reported to FINRA its failure to file the required reports, and subsequently reported the findings, action, and civil complaints and arbitration claims. The findings also included that, due to a misunderstanding of a question, the firm failed to amend its Form BD to disclose actions by foreign financial regulatory authorities finding violations of investment-related regulations or statutes by the firm's foreign control affiliates. The firm self-reported its failure to update its Form BD to FINRA and ultimately filed an amended Form BD disclosing the actions. (**FINRA Case #2022073912501**)

Individuals Barred

Ben Jen (CRD #7701847, Bedminster, New Jersey) and Raymond Damien Rohne (CRD #1942268, Croton-on-Hudson, New York)
April 7, 2025 – An OHO decision became final in which Jen and Rohne were barred from association with any FINRA member in all capacities. In light of the bar, a fine was not imposed. The sanctions were based on the findings that Jen failed to fully provide all documents and information requested by FINRA in connection with its investigation into an allegedly failed sale of shares in a private space exploration

company. The findings stated that Jen produced some responsive documents, but his response was incomplete. For example, Jen produced many emails without attachments, including signed agreements related to securities transactions, and other emails he produced were incomplete. Jen also produced no electronic DocuSign envelopes even though he had previously used them to sign agreements related to securities transactions. During a call with FINRA, Jen represented that he possessed additional documents and asked for an extension of time to provide the additional documents, which FINRA granted. Jen then produced some additional documents, but he acknowledged that the production was still incomplete. FINRA granted Jen another extension to provide the missing documents, but Jen never produced any additional documents. The findings also stated that Rohne failed to appear for on-the-record testimony requested by FINRA in connection with its investigation into his potential misconduct related to the alleged securities transaction. (**FINRA Case #2022075977501**)

Joseph Adam Eisler (CRD #2503507, East Hampton, New York)
April 11, 2025 – An AWC was issued in which Eisler was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Eisler consented to the sanction and to the entry of findings that he allocated shares of new issues to a customer in exchange for a portion of the customer's realized profits when the stock was sold, in the form of excessive compensation on unrelated transactions. The findings stated that Eisler and the customer agreed that Eisler would receive a portion of the customer's new issue profits by charging the customer additional, unearned commissions in subsequent, unrelated transactions. Eisler never disclosed the profit-sharing agreement to his member firm, nor did he obtain prior written authorization from the customer or the firm. Eisler also did not make any financial contribution to the customer's new issue purchases and, although he shared in his customer's realized gains, Eisler did not compensate the customer for any losses. Ultimately, in exchange for more than 100 new issue allocations, Eisler received more than $120,000 from the customer. The findings also stated that for eight years, Eisler exchanged hundreds of text messages on his personal phone related to the firm's securities business, including communications with the customer with whom Eisler had the new issue profit-sharing agreement. These messages included, among other things, authorizations to execute securities transactions, trade confirmations, and account performance information. By communicating through his personal texts, Eisler intended to hide his communications from his firm, and he knew that such communications violated firm policy. Indeed, each year, Eisler falsely attested to his firm that he complied with its prohibition against using text messages on personal devices to communicate about firm business. Because Eisler used personal text messages for business-related communications, the firm did not capture or maintain his communications as required. (**FINRA Case #2022077330501**)

Isaiah Thomas Williams Jr. (CRD #6211219, Royal Palm Beach, Florida)
April 11, 2025 – An AWC was issued in which Williams was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Williams consented to the sanction and to the entry of findings that he refused to provide information requested by FINRA in connection with its investigation of allegations made by his member firm in Form U4 and Uniform Termination Notice for Securities Industry Registration (Form U5) filings. The findings stated that the firm had filed a U4 amendment disclosing a customer complaint that alleged Williams engaged in misrepresentation and improper OBAs. Subsequently, the firm filed a Form U5 stating that Williams voluntarily resigned while under internal review into allegations of misappropriation, unsuitable asset allocation, misrepresentations, and an improper business activity. (**FINRA Case #2024082549801**)

Sam Jakobs (CRD #6623905, Bellmore, New York)
April 14, 2025 – An OHO decision became final in which Jakobs was barred from association with any FINRA member in all capacities. The sanction was based on the findings that Jakobs failed to produce information and documents requested by FINRA in connection with its investigation. The findings stated that FINRA began an investigation focused on payments totaling more than $2 million that Jakobs and entities affiliated with him had received from a registered representative at a firm that Jakobs was briefly employed in an unregistered capacity at. The concern was that those payments might have constituted compensation for undisclosed activities requiring registration with FINRA. (**FINRA Case #2023077022402**)

Kelly Ray Moore (CRD #1599385, Houston, Texas)
April 14, 2025 – An AWC was issued in which Moore was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Moore 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 had engaged in short-term trading of Class A mutual funds. (**FINRA Case #2023079506301**)

Manuel Francisco Melendez (CRD #4648278, San Juan, Puerto Rico)
April 15, 2025 – An AWC was issued in which Melendez was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Melendez consented to the sanction and to the entry of findings that he borrowed $738,000 from two customers of his member firm through four separate loans without providing prior written notice to or obtaining written approval from the firm. The findings stated that Melendez initially borrowed $300,000 from the first customer, a senior, by executing a written loan agreement that stated that the loan was for capital to invest in a billboard advertising business. The loan agreement required Melendez to repay the principal plus $130,000 in interest within five years.

To date, Melendez has not paid the senior customer any interest or principal. In addition, Melendez borrowed $438,000 from the second customer through three separate loans. Melendez and the second customer executed a written loan agreement for the first loan only. That agreement stated that the loan was for capital to complete the acquisition of an ice cream business and required Melendez to repay the loan within five years. Melendez and the second customer orally agreed that the other two loans, along with the unused funds from the first loan, would be used to purchase a sign business. To date, Melendez has not repaid any of the loans from second customer. Furthermore, Melendez falsely attested on compliance questionnaires that he had not received a loan from any firm client. Melendez' firm settled claims by the customers arising from the conduct described in this AWC. The findings also stated that Melendez improperly used customer funds. Melendez used thousands of dollars from the senior customer's loan to pay personal expenses, such as cruises, airline tickets, and retail purchases. The senior customer had not authorized Melendez to use her money for any purpose other than investing in a billboard advertising business. In addition, the second customer did not authorize Melendez to use her money for any purpose other than to purchase an ice cream business and sign business. Nonetheless, Melendez used thousands of dollars from the second customer's loans to pay expenses related to his separate billboard advertising business. The findings also included that Melendez failed to timely disclose OBAs. Melendez took steps to purchase an ice cream business, from which he had a reasonable expectation of earning compensation. Subsequently, Melendez became an officer of a newly formed holding company, which he intended to use as a vehicle to purchase the ice cream business. Melendez never disclosed to the firm that he was an officer of this holding company, and he did not notify or seek approval from it before engaging in OBAs related to the ice cream business. Eventually, Melendez disclosed the ice cream business to the firm, but his disclosure falsely stated that no firm customer was involved in the business, despite having borrowed money from the second customer to purchase the business. In addition, Melendez took steps to purchase a sign company, from which he had a reasonable expectation of earning compensation. Melendez negotiated deal terms, submitted purchase agreements, and entered loan agreements, including with the second customer, to finance the purchase. Melendez did not notify or seek approval from the firm before engaging in OBAs related to the sign company. Eventually, Melendez disclosed the business to the firm, but his disclosure falsely stated that no firm customer was involved in the business, despite having borrowed money from the second customer to purchase the business. (**FINRA Case #2023077646901**)

James Elroy Burton Jr. (CRD #5051310, Bakersfield, California)
April 24, 2025 – An AWC was issued in which Burton was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Burton consented to the sanction and to the entry of findings that he failed to

provide documents requested by FINRA during its investigation into sales of promissory notes in a company claiming to offer investments in crypto asset funds and programs. The findings stated that Burton initially cooperated with FINRA's investigation, but ultimately ceased doing so. (**FINRA Case #2023080049002**)

Kimberly Geneva Sorrow (CRD #6971698, Belton, South Carolina)
April 24, 2025 – An AWC was issued in which Sorrow was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Sorrow consented to the sanction and to the entry of findings that she converted $838 in funds derived from four fraudulent checks purporting to be issued by third parties that she deposited into her bank accounts at her member firm's affiliated bank. The findings stated that these checks, which contained handwritten or typographical alterations to the check amount or check number, were altered versions of checks that Sorrow had previously deposited electronically into her bank accounts. After Sorrow deposited the checks, the bank detected the alterations and returned the checks. However, before the bank reversed the deposits and debited Sorrow's account, she converted $838 in funds derived from the checks by transferring the funds out of her account or using the funds for personal expenses. (**FINRA Case #2023079607901**)

Robert Frederick Meyer (CRD #1152319, New York, New York)
April 29, 2025 – An AWC was issued in which Meyer was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Meyer consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with an investigation into whether her cheated to fulfill his FINRA continuing education requirements. (**FINRA Case #2024082158301**)

Alton B. Raney II (CRD #1497403, Mountain Home, Arkansas)
April 29, 2025 – An AWC was issued in which Raney was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Raney consented to the sanction and to the entry of findings that he refused to appear for on-the-record testimony requested by FINRA in connection with its investigation of the circumstances surrounding his termination from his member firm. The findings stated that the firm terminated Raney's registration by Form U5 for concerns regarding the appropriateness of recommendations involving short-term mutual fund transactions. (**FINRA Case #2023078655401**)

Individuals Suspended

Michael Joseph Dugan (CRD #2824966, Staten Island, New York)
April 1, 2025 – An AWC was issued in which Dugan was suspended from association with any FINRA member in all capacities for seven months. In light of Dugan's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Dugan consented to the sanction and to the entry of findings that he willfully violated the Best Interest Obligation under Reg BI by recommending to retail customers a series of trades that were excessive, unsuitable, and not in the customers' best interests. The findings stated that the customers, a retiree and a 65-year-old, relied on Dugan's advice and routinely followed his recommendations and, as a result, Dugan exercised de facto control over the accounts. Dugan's trading in the customers' accounts generated a total of $143,217 in commissions and caused a total of $216,772 in realized losses.

The suspension is in effect from May 5, 2025, through December 4, 2025. (**FINRA Case #2018056490327**)

Christopher Taylor Harpin (CRD #2329016, Essex, Connecticut)
April 2, 2025 – An AWC was issued in which Harpin was fined $5,000 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Harpin consented to the sanctions and to the entry of findings that he caused solicited purchases of high-yield bonds in his customers' accounts to be incorrectly marked as unsolicited, and as a result, caused his member firm to maintain inaccurate books and records. The findings stated that Harpin's conduct continued despite being warned by the firm that solicited transactions involving high-yield bonds were prohibited.

The suspension is in effect from May 5, 2025, through July 4, 2025. (**FINRA Case #2021071460101**)

Thomas David Sharp (CRD #1623353, Folsom, California)
April 3, 2025 – An AWC was issued in which Sharp was assessed a deferred fine of $10,000 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Sharp consented to the sanctions and to the entry of findings that he borrowed $27,500 from one of his customers notwithstanding that doing so was prohibited by his member firm's WSPs. The findings stated that the customer agreed to provide Sharp with an interest-free loan from a trust account for which Sharp served as the trustee and representative of record. Sharp has since repaid the loan.

The suspension was in effect from April 7, 2025, through May 21, 2025. (**FINRA Case #2024081709401**)

Benjamin Adams (CRD #6637068, Baton Rouge, Louisiana)
April 7, 2025 – An AWC was issued in which Adams 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, Adams consented to the sanctions and to the entry of findings that he forged or falsified seven customers' and two registered representatives' electronic signatures on documents, including documents that were required books and records of his member firm. The findings stated that Adams did not have the representatives' and two of the customers' prior permission. All of the transactions were authorized, and no customer complained.

The suspension was in effect from April 7, 2025, through June 6, 2025. (**FINRA Case #2023078978701**)

William Joseph Conn (CRD #1477107, Piedmont, California)
April 7, 2025 – An AWC was issued in which Conn was assessed a deferred fine of $15,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Conn consented to the sanctions and to the entry of findings that he exercised discretion in customer accounts without prior written authorization from the customers or prior permission from his member firm. The findings stated that the customers knew Conn was placing trades in their accounts. The findings also stated that in circumvention of firm policy, Conn gifted one of the customers a total of $120,000 by making deposits into her checking account. Conn failed to disclose these gifts to the firm. In addition, Conn falsely stated on his annual questionnaire that he had not gifted any customer more than $100.

The suspension is in effect from April 7, 2025, through July 6, 2025. (**FINRA Case #2022075925601**)

Thomas Anthony Rapp (CRD #6367780, Mendham, New Jersey)
April 8, 2025 – An AWC was issued in which Rapp was assessed a deferred fine of $20,000 and suspended from association with any FINRA member in all capacities for 21 months. Without admitting or denying the findings, Rapp consented to the sanctions and to the entry of findings that he engaged in an OBA involving a private equity fund he co-founded, and for which he served as chief executive officer (CEO) and managing partner, without providing prior written notice to his member firm. The findings stated that Rapp was one of the individuals responsible for answering investment inquiries concerning the fund. In addition, Rapp participated in the private offering of limited partnership interests in the fund and oversaw the management of the fund's portfolio companies. The findings also stated that Rapp participated in a private securities offering for the fund without providing prior written notice to his firm. Rapp participated in a private offering of limited partnership interests in the fund, which were securities sold pursuant to Regulation

D of the Securities Act. In connection with the offering, Rapp corresponded with prospective investors and signed subscription agreements and regulatory filings concerning the offering. The offering raised more than $11 million from approximately 15 investors, several of whom were also Rapp's customers at his firm. Rapp did not earn any commissions in connection with the offering.

The suspension is in effect from April 21, 2025, through January 20, 2027. (**FINRA Case #2022075493601**)

Robert Russel Tweed (CRD #2339324, San Marino, California)
April 10, 2025 – A NAC decision became final in which, on remand from the SEC, the NAC assessed but did not impose on Tweed a two-year suspension from association with any FINRA member in all capacities The suspension was not imposed because Tweed already had been barred for more than four years while his application for review of the NAC's initial decision in the matter was pending before the SEC. The SEC ultimately sustained in part and set aside in part the NAC's findings of violation and remanded the matter for a redetermination of sanctions. The sanctions on remand are based on findings that Tweed violated Sections 17(a)(2) and (3) of the Securities Act, and as a result also violated FINRA Rule 2010, by misrepresenting and failing to disclose material facts in connection with the sale of interests in a private investment fund that he controlled, and that he engaged in a course of conduct that operated as a fraud or deceit on the fund's investors. The findings stated that Tweed negligently misrepresented or failed to disclose all the fees and expenses associated with an investment in the private fund; a change in the private fund's master fund to a new master fund; and a consulting agreement between Tweed's investment advisor and the new master fund's investment advisor, under which Tweed's investment advisor was entitled to 45 percent of the net proceeds the new master fund's investment advisor received as a result of the private fund's investment. (**FINRA Case #2015046631101**)

Muhammad R. Wahdy (CRD #6266210, San Francisco, California)
April 11, 2025 – An AWC was issued in which Wahdy was assessed a deferred fine of $10,000 and suspended from association with any FINRA member in all capacities for 15 months. Without admitting or denying the findings, Wahdy consented to the sanctions and to the entry of findings that he engaged in an unapproved outside business by acting as an investment advisor without notice to or approval from his three member firms. The findings stated that Wahdy acted as the owner, CEO, and CCO of an investment advisory firm. Wahdy provided investment advice to between 15 and 30 investors, none of whom were his brokerage customers. Wahdy's responsibilities at the investment advisory firm also included paying rent and utility bills and hiring and managing employees, as well as communicating with his clients about their investment accounts and disseminating investor newsletters. Wahdy also received portfolio management fees and advisory fees from the investment

advisory firm totaling approximately $148,000. Furthermore, Wahdy submitted annual compliance questionnaires and an annual attestation to his employing brokerage firms in which he inaccurately stated that he had no OBAs to disclose. In addition, Wahdy inaccurately certified to one firm that he had no OBAs. The findings also stated that Wahdy participated in a private securities transaction by soliciting $250,000 from one investor for limited partnership interests in a pooled investment fund without prior disclosure to, or approval from, his employing brokerage firm. Wahdy was the sole owner and operator of the limited partnership, and sole manager of the fund with responsibility for soliciting investors and making investment decisions. At the time of the pooled investment fund's formation, Wahdy expected to receive compensation in the form of portfolio management fees. Wahdy submitted an annual compliance questionnaire to his employing brokerage firm in which he inaccurately stated that he had not been involved in a private securities transaction. The findings also included that Wahdy maintained and opened outside brokerage accounts that he did not disclose to his firms. Wahdy also failed to notify the executing firm at which he held the accounts of his association with his member firms. In addition, Wahdy submitted annual attestations, an annual compliance questionnaire, and a certification to his various employing brokerage firms in which he inaccurately stated that he had disclosed all outside brokerage accounts to them.

The suspension is in effect from April 21, 2025, through July 20, 2026. (**FINRA Case #2023078977001**)

Curtis Wayne Smith (CRD #1383235, Omaha, Nebraska)
April 14, 2025 – An AWC was issued in which Smith 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, Smith consented to the sanctions and to the entry of findings that he impersonated a customer on four telephone calls to an annuity provider in order to obtain paperwork to facilitate a transaction for the customer. The findings stated that Smith recommended that the customer transfer their fixed annuity contract into a brokerage account in order to purchase certain securities and receive a monthly dividend. In connection with that recommendation, which the customer accepted, Smith made the phone calls to the annuity provider. The findings also stated that Smith exercised discretionary authority in a non-discretionary account by reallocating a variable annuity's subaccount allocation without prior written authorization from the customers who owned the account, and without the account having been accepted as discretionary by his member firm. Smith attempted to conceal his misconduct by using a personal email account to send an email discussing the transaction with the affected customers. Further, Smith falsely certified to his firm that he did not use discretion in commission-based accounts. The findings also included that Smith caused his firm to fail to preserve required books and records by using two personal email accounts to conduct securities business. Smith used the personal email accounts to respond

to customer inquiries about their accounts, provide investment summaries to customers, and communicate with annuity providers about customer transactions. In addition, Smith falsely attested to his firm that he was sending and receiving all business-related communications through an approved and archived email address.

The suspension is in effect from April 21, 2025, through July 20, 2025. (**FINRA Case #2023077040901**)

Robert Franklin Muller Jr. (CRD #1778892, Dallas, Texas)
April 17, 2025 – An AWC was issued in which Muller was assessed a deferred fine of $10,000 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Muller consented to the sanctions and to the entry of findings that he participated in a private securities transaction by selling $400,000 in limited partnership interests for a retail business franchise to six investors without prior disclosure to, or approval from, his member firm. The findings stated that the investors were not brokerage customers of the firm. Muller formed a limited partnership to raise capital for the acquisition and operation of a retail business franchise. Muller was the sole manager of the general partner of the limited partnership. Muller did not receive selling compensation at the time he sold the limited partnership interests, but he expected future compensation in the form of cash distributions and service fees. Muller did not provide prior written notice to his firm of his formation of the limited partnership, his sale of limited partnership interests to investors, or his expectation of compensation. Subsequently, Muller completed an annual compliance questionnaire in which he did not disclose to the firm that he had been involved in a private securities transaction.

The suspension is in effect from April 21, 2025, through August 20, 2025. (**FINRA Case #2024080917901**)

Robert Earl Cline (CRD #601754, Verona, Pennsylvania), Bjorn Johan Erickson (CRD #5756517, Saint Petersburgh, Florida) and Jerry Lawrence Little (CRD #856702, Tierra Verde, Florida)
April 21, 2025 – An AWC was issued in which Cline was fined $10,000 and suspended from association with any FINRA member in any principal capacity for three months. Erickson was fined $10,000 and suspended from association with any FINRA member in any principal capacity for three months. Little was assessed a deferred fine of $20,000 and suspended from association with any FINRA member in all capacities for nine months. Without admitting or denying the findings, Cline, Erickson, and Little consented to the sanctions and to the entry of findings that Little willfully violated Municipal Securities Rulemaking Board (MSRB) Rules G-11(b), G-11(k), and G-17 by submitting orders to underwriters for new issue municipal bonds without disclosing that the orders were for their member firm's dealer account. The findings stated that as a result, the underwriters afforded the firm improper customer priority, and the firm obtained allocations for each of the orders it placed for its dealer account.

In addition, Little submitted orders to underwriters for new issue municipal bonds during the retail order period when the orders were not for a retail customer, but instead were for the firm's dealer account. As a result, the underwriters afforded the firm improper retail priority, and the firm obtained allocations for each of the five orders it placed for its dealer account. The findings also stated that Cline and Erickson failed to reasonably respond to red flags indicating the firm was obtaining improper allocations of new issue municipal bonds. Erickson was Little's direct supervisor and Cline was responsible for supervising all registered representatives who worked at the two branch offices founded and owned by Cline and Erickson. Cline was also responsible for making key decisions at the branches, including with respect to hiring and compensation. In addition, Cline tasked Little with establishing relationships with underwriters to facilitate purchases of new issue municipal bonds for the firm's dealer account. Cline and Erickson both reviewed all the branches' trades on a daily basis. Cline and Erickson failed to reasonably respond to red flags indicating that the firm was obtaining allocations of new issue municipal bonds based on Little's mischaracterization of the branches. Specifically, Little requested that the branches be treated as an institutional customer when being introduced to underwriters. Cline and Erickson received numerous communications reflecting that Little was mischaracterizing the branches to obtain treatment by underwriters as a customer, rather than a broker-dealer.

Cline and Erickson's suspensions are in effect from May 19, 2025, through August 18, 2025. Little's suspension is in effect from April 21, 2025, through January 20, 2026. **FINRA Case #2019063566202**)

Scot Barringer (CRD #1385168, Pinehurst, North Carolina)
April 22, 2025 – An AWC was issued in which Barringer was fined $5,000 and suspended from association with any FINRA member in all capacities for three months. Barringer is not required to pay restitution because his member firm has agreed to pay restitution to customers in connection with bond recommendations that he made to them. Without admitting or denying the findings, Barringer consented to the sanctions and to the entry of findings that he recommended that customers invest in a speculative, unrated debt security without having a reasonable basis in light of the customers' investment profiles. The findings stated that Barringer recommended the bonds without having a reasonable basis to believe that they were in the best interest of three customers, who were all retired individuals, or suitable for a customer, a non-profit entity that invested through a financial committee that was not subject to Reg BI, in light of the customers' investment profiles. As a result, the customers were overconcentrated in the bonds, either alone or in combination with other alternative investments. None of the customers had experience with alternative investments before investing in the bonds. Moreover, all of the customers had moderate to moderately aggressive risk tolerances, and investment objectives of income. By recommending the bonds without having a reasonable basis to believe they were in the best interest of customers, Barringer

willfully violated Reg BI. The findings also stated that Barringer inaccurately completed transaction forms that he submitted in connection with eight customers' purchases of the bonds, by incorrectly stating the percentage of the customers' net worth that would be invested in these securities, thereby causing his member firm to maintain inaccurate books and records. Barringer underreported the customers' net worth concentration percentages—in the bond investments, in alternative investments as a whole, or in both—by failing to include in his calculations the customers' prior purchases of bonds or their existing holdings in other alternative investments. For five of the customers, Barringer also inaccurately stated that the recommended bond investments did not cause the customers to meet or surpass one or both of the concentration thresholds.

The suspension is in effect from May 19, 2025, through August 18, 2025. (**FINRA Case #2020068655903**)

Kyle Joon Kim (CRD #2446395, Dulles, Virginia)
April 22, 2025 – An AWC was issued in which Kim was fined $5,000 and suspended from association with any FINRA member in all capacities for three months. Without admitting or denying the findings, Kim consented to the sanctions and to the entry of findings that he participated in an OBA without providing prior notice to his member firm. The findings stated that Kim and two other persons had formed an informal partnership to build and sell residential properties on parcels of real estate and share any profits equally. Kim then formed a limited liability company to support the partnership's activities. Kim served as the managing member of the company and established a bank account in its name, which he controlled. Kim's role was also anticipated to include helping to decide which parcels to develop first, how those parcels would be developed, working with subcontractors, and other project logistics. After pausing development in response to the COVID-19 pandemic, Kim and his partners resumed planning on these projects. Kim also arranged for two firm customers to provide a total of $90,000 to help finance the projects. In addition, Kim did not provide a response to specific questions on his firm's annual compliance questionnaires.

The suspension is in effect from May 19, 2025, through August 18, 2025. (**FINRA Case #2024082375001**)

Brian Robert Roth (CRD #4607595, Mendham, New Jersey)
April 22, 2025 – An AWC was issued in which Roth was suspended from association with any FINRA member in all capacities for three months. In light of Roth's financial status, no monetary sanction has been imposed. Without admitting or denying the findings, Roth consented to the sanction and to the entry of findings that he borrowed $250,000 from a customer without disclosing the loan to his member firm or receiving its permission to accept it. The findings stated that when Roth

joined a new firm, the customer opened accounts at the firm for which Roth was the registered representative. However, Roth did not disclose the loan to the firm at the time of his registration. Subsequently, Roth and the customer documented the loan in a promissory note and Roth ultimately repaid the loan in full. The findings also stated that Roth falsely attested in annual compliance questionnaires provided to one of the firms that he had not solicited or accepted a loan from a customer while associated with the firm.

The suspension is in effect from May 5, 2025, through August 4, 2025. (**FINRA Case #2023078672001**)

Thomas A. Vigil (CRD #3269058, Saunderstown, Rhode Island)
April 29, 2025 – An AWC was issued in which Vigil was assessed a deferred fine of $10,000, suspended from association with any FINRA member in all capacities for 12 months, and ordered to pay deferred restitution, plus interest, to customers in the amount of $25,436. Without admitting or denying the findings, Vigil consented to the sanctions and to the entry of findings that he recommended variable annuity exchanges to member firm customers without having a reasonable basis to believe the recommendations were suitable. The findings stated that Vigil recommended that the customers exchange their existing variable annuity for an L-share variable annuity with a four-year surrender period that was paired with a Guaranteed Minimum Withdrawal Benefit rider. Vigil did not conduct or document any assessment of the suitability of his recommendation and failed to conduct a comparative analysis of the benefits, fees, and costs of the surrendered and replacement variable annuities. In all instances, Vigil incorrectly stated in his documentation of the exchanges that the replacement variable annuity was lower in fees when, in fact, the replacement annuity caused customers to increase their base expenses. As a result of these recommendations, Vigil's customers collectively paid $25,436 in additional costs. Further, Vigil failed to consider the loss of a tax-advantaged method for taking withdrawals that was available with customers' existing variable annuity but not the replacement that he recommended. The findings also stated that Vigil recommended that customers purchase variable annuities without having a reasonable basis to believe the recommendations were suitable. Vigil recommended the customers purchase an investment-only variable annuity with a liquidity option by using qualified funds from their existing individual retirement accounts (IRAs). Vigil did not have a reasonable basis to believe that the customers would benefit from the features of an investment-only variable annuity, which charged additional fees. Vigil also failed to accurately assess the cost of the liquidity rider and other fees associated with the purchase recommendations, which caused the customers to incur greater fees than those of their respective IRAs. Further, Vigil did not have a reasonable basis to believe that the investment-only variable annuity purchases were suitable based on the customers' investment

profiles and investment objectives associated with his recommendations. Vigil did not consider whether a customer, based on their age, would be subject to tax penalties if the customer took early withdrawals from the annuity. The findings also included that Vigil made negligent misrepresentations and omissions of material fact in contravention of Section 17(a)(2) of the Securities Act when recommending variable annuity transactions. Vigil submitted customer-facing annuity disclosure forms that were required by his firm in connection with annuity exchanges in which he made the transactions appear more favorable than they actually were. In all instances, Vigil negligently misrepresented on the form to the customer and the firm that he was recommending a B-share annuity when the application was for the more expensive L-share annuity. As a result, Vigil also negligently misrepresented the fees and riders for the replacement variable annuity. Further, Vigil negligently misrepresented that the replacement annuity costs, and rider fees were lower than the surrendered annuity, when the replacement annuity costs were actually 50 basis points higher than the surrendered annuity. With respect to the customers who purchased investment-only variable annuities, Vigil negligently misrepresented that the additional variable annuity purchases offered a "standard" death benefit when the product did not offer any guaranteed death benefit. Vigil also negligently omitted the cost by leaving the cost of the liquidity rider blank on one of the purchase applications. FINRA found that Vigil forged a customer's variable annuity application by photocopying her signatures from her first annuity application onto her second application. Although the customer approved of the purchase, she was not aware of, and did not consent to, Vigil photocopying her signatures.

The suspension is in effect from May 5, 2025, through May 4, 2026. (**FINRA Case #2020065124801**)

Decision Issued

The Office of Hearing Officers (OHO) issued the following decision, which has been appealed to the NAC as of April 30, 2025. 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.

David Wong (CRD #4689031, Monterey Park, California)
April 23, 2025 – Wong appealed an OHO decision to the NAC. Wong was barred from associating with any FINRA member in all capacities. The sanction was based on the findings that Wong misused and converted customer funds. The findings stated that Wong converted funds in two customer accounts by transferring them to his member firm account without the knowledge or consent of the customers.

Wong instructed the firm's clearing firm to transfer $3,230 from a customer's retirement account into a firm account, and to assess $6,200 in fees against a trust account established for two other customers, which resulted in the transfer of that amount into a firm account. The findings also stated that by taking funds given to him by customers for other purposes and using them as if they were his own, Wong engaged in flagrant dishonesty that renders him unfit for employment in the securities industry.

The sanction is not in effect pending review. (**FINRA Case #2021069373001**)

Complaint 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.

Meredith Archer Webber (CRD #2435263, Cobleskill, New York)
April 24, 2025 – Webber was named a respondent in a FINRA complaint alleging that she failed to respond to FINRA's requests for documents and information and failed to provide on-the-record testimony requested by it as part of its investigation into whether she misappropriated funds from two elderly customers. The complaint alleges that FINRA asked for, among other things, documentation related to Webber's receipt of loan funds from an elderly customer, bank account statements, phone records, and electronic communications. The information, documents, and on-the-record testimony FINRA requested were material to its investigation because they directly related to whether Webber misappropriated the customers' funds and were necessary for FINRA to complete its investigation. Webber's failure to provide the requested documents and information or appear for on-the-record testimony impeded FINRA's investigation into her potential misconduct. (**FINRA Case #2024082788802**)

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.)

EKATS Securities Inc. dba SBC Partners (CRD #284750)
New York, New York
(April 11, 2025)
Mercury Capital Advisors, LLC
(CRD# 152338)
New York, New York
(April 11, 2025)

Synapse Brokerage LLC (CRD #137662)
Parker, Colorado
(April 11, 2025)
FINRA Case # 2025085003001

Synapse Brokerage LLC (CRD #137662)
Parker, Colorado
(April 11, 2025)

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

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

Matthew T. Mierzycki (CRD #6102769)
Austin, Texas
(April 16, 2025)

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.)

Jeu Emmanuel Delgado Lopez (CRD #7505213)
Fontana, California
(April 28, 2025)
FINRA Case #2024082389601

Jerome Oliver Harris (CRD #5551156)
Kansas City, Missouri
(April 28, 2025)
FINRA Case #2024081709501

Thomas Christopher Johnson (CRD #7509093)
Lancaster, Texas
(April 28, 2025)
FINRA Case #2023080711301

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.)

Kwabena Adusei (CRD #7214627)
Charlotte, North Carolina
(April 3, 2025)
FINRA Case #2024083368101

Rezwan Mohammed Alam (CRD #5349513)
Parkland, Florida
(April 3, 2025)
FINRA Case #2024083235001

Cody M. Anderson (CRD #5999762)
Buffalo, New York
(April 25, 2025)
FINRA Case #2024083894501

Courtney Rae Buth (CRD #5057787)
Moorhead, Minnesota
(April 17, 2025)
FINRA Case #2024084234301

Jesus Gabriel Cantu (CRD #7599050)
Kyle, Texas
(April 21, 2025)
FINRA Case #2024083302201

Stacey Joy Chen (CRD #7593484)
New York, New York
(April 28, 2025)
FINRA Case #2024082900401

Bennett Knapp Ely (CRD #721298)
West Des Moines, Iowa
(April 3, 2025)
FINRA Case #2020065108001

Howard O'Keefe Graham (CRD #717332)
Madison, Mississippi
(April 7, 2025)
FINRA Case #2023079514501

Rebecca Katherine Hart (CRD #5658495)
Strasburg, Virginia
(April 28, 2025)
FINRA Case #2025084621701

Jennifer Marie Kuntzman (CRD #5719842)
Florissant, Missouri
(April 28, 2025)
FINRA Case #2024084241301

Jason J. Ratkovich (CRD #7812732)
Aliquippa, Pennsylvania
(April 21, 2025)
FINRA Case #2024083302701

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.)

James Burchett Cross (CRD #2186080)
Bozeman, Montana
(February 5, 2025 – April 1, 2025)
FINRA Arbitration Case #24-01744

Joshua Nathan Helmle (CRD #2195760)
Oceanside, California
(April 3, 2025)
FINRA Arbitration Case #24-00004

John W. Nelson (CRD #6900776)
Akron, Ohio
(April 10, 2025)
FINRA Arbitration Case #24-02320

Kevin F. Shipley (CRD #5033658)
Orlando, Florida
(April 28, 2025)
FINRA Arbitration Case #24-02227