

Disciplinary and Other FINRA Actions

Firms Fined

Goldman Sachs & Co. LLC ([CRD #361](#), New York, New York)

February 6, 2024 – A Letter of Acceptance, Waiver and Consent (AWC) was issued in which the firm was censured and fined a total of \$512,500, of which \$37,000 is payable to FINRA. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that its supervisory system was not reasonably designed to identify potentially manipulative trading activity. The findings stated that the firm failed to include warrants, rights, units, and certain over-the-counter (OTC) equity securities in a number of its automated surveillance reports designed to identify potentially manipulative proprietary and customer trading activity. As a result of the gaps in the firm’s surveillance reports, it could not perform reasonable supervisory reviews of trading activity in warrants, rights, units, and certain OTC equity securities for potential manipulation. The affected reports would have identified approximately 5,000 alerts (based on extrapolations from available data) for potentially manipulative trading activity in those securities. The firm added the missing securities to the surveillance reports either in response to FINRA’s investigation or through the firm’s adoption of new surveillance reports. The firm later completed remediation for all surveillance reports. The firm’s supervisory system, including its written procedures, also did not require a review of its automated surveillance reports to ensure they included all relevant securities traded as part of the firm’s business. As a result, the firm failed to detect that the surveillance reports for potentially manipulative trading excluded warrants, rights, units, and certain OTC equity securities. The firm implemented reviews to identify if any security has been inadvertently excluded from new or modified surveillance reports. ([FINRA Case #2019063499505](#))

TradeStation Securities, Inc. ([CRD #39473](#), Plantation, Florida)

February 9, 2024 – An AWC was issued in which the firm was censured, fined \$700,00, and required to certify that it has remediated the issues identified in the AWC and implemented a supervisory system, including written supervisory procedures (WSPs). Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it did not develop and implement reasonable escalation and tracking procedures for its anti-money laundering (AML) program. The findings stated that the firm’s AML program did not establish reasonable procedures for escalating potentially suspicious trading for AML review and the firm failed to escalate certain trading in order to assess whether a Suspicious Activity Report (SAR) should be filed. Firm analysts frequently closed alerts with no further action, but they did not always document their investigation or conclusion that the activity was not suspicious.

Reported for April 2024

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.

Analysts also appropriately restricted or closed customer accounts, including for suspicious trading activity, but did not always document the reason for their actions. The firm was made aware that it could enhance the foregoing components of its AML program as part of its annual AML independent testing. The independent testing reports recommended that the firm better document its process for escalating matters to the AML department and track subsequent AML investigations. However, the firm did not fully implement these recommendations until later. The findings also stated that the firm did not establish reasonable WSPs in connection with the acceptance and resale of low-priced securities to achieve compliance with Section 5 of the Securities Act of 1933 (Securities Act). The WSPs did not describe all of the steps in the firm's review, approval, and post-approval process, to address the firm's review of the deposit and resale of low-priced securities to prevent the firm's participation in an unregistered distribution of restricted securities. In addition, the procedures did not designate individuals responsible for the various steps in the process and inaccurately stated that the compliance department had responsibility to ensure compliance with Section 5 of the Securities Act, when the responsibility had been transferred to the Trading Operations department. ([FINRA Case #2018057023701](#))

Ceros Financial Services, Inc. ([CRD #37869](#), Rockville, Maryland)

February 14, 2024 – An AWC was issued in which the firm was censured, fined \$75,000, and required to certify that it has remediated the issues identified in the AWC and developed and implemented a written Identity Theft Prevention Program. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to reasonably supervise the use of external email for business-related communications and failed to preserve such communications. The findings stated that FINRA notified the firm that at least one of its registered representatives was regularly using personal email for business-related communications. Despite this notice, the primary system the firm implemented to prevent its associated persons from using external email for business-related communications was to create a list of employee personal email addresses and send automated warning emails when incoming emails to the firm's system were sent from emails on that list. The firm sent automated warnings to individuals, with some individuals receiving repeated warnings. However, the firm did not review communications sent from or to emails on the employee personal email list unless those emails happened to meet other firm supervisory email review criteria. The firm also did not treat those communications as red flags that other external business-related communications might not be captured by the firm's system. Several business-related emails were not preserved and retained by the

firm because the correspondence was directly between a representative's personal email and a customer. Because these emails did not include a firm email address, the firm cannot quantify how many business-related emails were not preserved and retained. Given its failure to identify or preserve these communications, the firm also did not conduct supervisory reviews of this business-related correspondence. The firm has now implemented a firm-wide list of personal email addresses and blocks all communications to or from emails on the list. The findings also stated that the firm failed to adopt policies and procedures to safeguard customer information and failed to develop an identity theft program. The firm did not have a reasonable process to prevent employees from sending customer information to unsecure locations outside of the firm's system. The firm also did not have procedures for reviewing emails sent to or from employee personal email addresses for purposes of safeguarding customer information even though over 10,000 emails were sent between known employee personal email addresses and a firm email address. The firm also failed to develop and implement a program designed to detect, prevent, and mitigate identity theft. Instead, the firm relies on its privacy policy, which lacks any detail as to the steps that the firm would take to identify red flags of identity theft, detect those red flags, and respond appropriately to any red flags detected. The firm has since implemented an application that encrypts emails containing personal identifiable information. The firm has also revised its email review protocol to include a search for personal identifiable information as a part of its supervisory reviews of electronic communications. ([FINRA Case #2021073201301](#))

Arcview Capital, LLC ([CRD #306029](#), Brooklyn, New York)

February 29, 2024 – An AWC was issued in which the firm was censured and fined \$25,000. Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it conducted a securities business on 43 days while failing to maintain its required minimum net capital of \$5,000. The findings stated that these net capital deficiencies ranged from \$27,914 to \$105,137. The firm's failure to maintain the required minimum net capital on these dates was the result of excessive expenditures. The findings also stated that the firm failed to file with FINRA and the Securities and Exchange Commission (SEC) 46 same-day notifications of its net capital deficiencies. The firm filed between three and 44 days after it became aware of each deficiency. The findings also included that the firm's WSPs were not reasonably designed to ensure compliance with net capital and financial reporting rules. The WSPs failed to provide any guidance as to how the firm should suspend its business operations in the event of a net capital deficiency and there was no reasonable process to ensure the firm timely filed notices of its net capital deficiencies. ([FINRA Case #2020067041001](#))

Individuals Barred

Brett Arthur Hartvigson (CRD #2263087, San Diego, California)

February 5, 2024 – An AWC was issued in which Hartvigson was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Hartvigson consented to the sanction and to the entry of findings that he refused to produce information and documents requested by FINRA in connection with its investigation of the allegations made to it in a complaint. ([FINRA Case #2023078455601](#))

David Victor Tall (CRD #1314547, Dana Point, California)

February 13, 2024 – An AWC was issued in which Tall was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Tall consented to the sanction and to the entry of findings that he refused to provide information and documents requested by FINRA during the course of a matter originated from a regulatory tip made to FINRA regarding him. ([FINRA Case #2023080474101](#))

Darren Michael Kubiak (CRD #1239086, Lawrenceville, Georgia)

February 20, 2024 – An Office of Hearing Officers (OHO) decision became final in which Kubiak was barred from association with any FINRA member in all capacities. The sanction was based on the findings that Kubiak failed to appear for on-the-record testimony requested by FINRA in connection with its investigation into the suitability of his recommendations that several customers purchase certain limited partnerships. The findings stated that FINRA sought Kubiak's explanations about how he considered the customers' investment profile information when making recommendations in alternative investments, and whether his recommendations were consistent with the investment profiles. Without this information, FINRA claimed, it was unable to complete its investigation. ([FINRA Case #2018060897302](#))

Lori Fleischhacker Copeland (CRD #6437019, Charlotte, North Carolina)

February 21, 2024 – An AWC was issued in which Copeland was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Copeland consented to the sanction and to the entry of findings that she refused to provide documents and information requested by FINRA in connection with its investigation into her outside business activities (OBAs). ([FINRA Case #2023077755201](#))

Michael Craig Brickman (CRD #4042866, Park Ridge, New Jersey)

February 23, 2024 – An AWC was issued in which Brickman was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Brickman consented to the sanction and to the entry of findings that he refused to provide information and documents requested by FINRA. The findings stated that this matter originated from FINRA's review of a request for mediation filed by a customer of his member firm against Brickman and the firm. ([FINRA Case #2023079254301](#))

Damian Mark Baird (CRD #3097243, Clarence Center, New York)

February 26, 2024 – An OHO decision became final in which Baird was barred from association with any FINRA member in all capacities. The sanction was based on the findings that Baird failed to respond to FINRA requests for information and documents in connection with two investigations. The findings stated that the first investigation focused on whether Baird failed to comply with his discovery obligations in a FINRA arbitration in which he was named as a respondent. In that arbitration, the adjudicators levied a fine against him for failing to comply with a discovery order. FINRA opened the second investigation to examine allegations against Baird in a Uniform Termination Notice for Securities Industry Registration (Form U5) Amendment filed by his former member firm, which disclosed a customer complaint it received. The Form U5 Amendment stated that two of Baird's customers (a married couple) "wrote a check for \$50,000...for deposit" into their account serviced by Baird, and the bank's fraud department had contacted them with concerns that the check which was presented for payment may have been altered and was made payable to Baird. In connection with the second investigation, FINRA requested that Baird provide documents and information relating to, among other things, account statements for his bank and brokerage accounts, and any alterations he may have made to a check made by the complaining customers. The findings also stated that Baird failed to respond to requests to appear and provide testimony in connection with the second investigation. ([FINRA Case #2023077669201](#))

Matthew Alexander Sinclair (CRD #6702377, South Milwaukee, Wisconsin)

February 26, 2024 – An AWC was issued in which Sinclair was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Sinclair consented to the sanction and to the entry of findings that he refused to produce information and documents requested by FINRA in connection with the allegations in a Form U5 filed by his member firm. The findings stated that the Form U5 reported that Sinclair had been discharged because he "intentionally altered and submitted documentation required to obtain hardship withdrawals from [his] retirement account." ([FINRA Case #2023079946001](#))

Megurditch Mike Patatian (CRD #4047060, Granada Hills, California)

February 28, 2024 – The SEC issued an order dismissing this review proceeding after Patatian requested dismissal of his application for review. As a result, a National Adjudicatory Counsel (NAC) decision issued on September 28, 2023, became final. The NAC decision barred Patatian from association with any FINRA member in all capacities and ordered him to pay disgorgement of commissions in the amount of \$458,418.07, plus prejudgment interest. The NAC affirmed the findings and modified the sanctions imposed by the OHO. The sanctions are based on findings that Patatian recommended unsuitable purchases of non-traded real estate investment trusts (REITs) to his customers without meeting his reasonable-basis suitability obligations. The findings also state that Patatian violated his customer-specific suitability obligations when he recommended the non-traded REITs to certain customers, who each required liquidity and desired a less risky investment. The customers testified consistently that Patatian did not discuss the risks associated with REITs, and he promised the customers they would get their money back in periods of time ranging from one to five years. The relevant prospectuses, however, warn that the REITs are highly risky and could remain illiquid for seven years or more. While the customers acknowledged that they signed risk disclosures, most testified that Patatian had them sign the disclosures and member firm client agreements as blank forms and they all simply signed and initialed where Patatian indicated without reading the documents because they trusted him. The findings also state that Patatian recommended unsuitable variable annuity surrenders to customers. When Patatian recommended that some of the customers surrender their variable annuities, he did not consider, or select the option to withhold, applicable taxes, and did not disclose the tax consequences to the customers. As a result, the customers incurred substantial tax bills, including underpayment penalties. Patatian admitted that he believed that the surrender of a variable annuity and the purchase of a REIT qualified as a tax-free 1035 exchanges and the record supports that he told certain customers that this provision applied. In addition to taxes, one of the customer's surrenders also resulted in a substantial surrender penalty that Patatian did not consider in making the surrender recommendation. The findings also include that Patatian made unsuitable recommendations to certain customers that they exchange their variable annuities for new variable annuities because the recommendations were based on faulty cost comparisons and Patatian's failure to secure intended optional death benefits. The NAC also found that Patatian impersonated a customer in a telephone call with an insurance company after he recommended that his customers, a married couple, surrender a variable annuity they held to invest the proceeds in a non-traded REIT. At the time, Patatian was not the agent of record for the annuity. As part of his impersonation, Patatian provided the customer's date of birth and the last four digits of his social security number to the insurance company. The NAC further found that Patatian caused his firm to maintain inaccurate books and records by inflating customers'

investment experience and net worth on important firm documents in order to make the REIT investments appear suitable. Patatian's falsification of these records enabled and concealed his suitability violations. The NAC did not believe it was appropriate to order Patatian to offer rescission under the circumstances here and thus dismissed that portion of the OHO's sanctions. Further, the restitution requested by FINRA and ordered by the OHO was paid by the firm during the pendency of Patatian's appeal and thus ordering Patatian to do so would result in a double recovery by the customers. The NAC therefore eliminated the order that Patatian pay restitution. ([FINRA Case #2018057235801](#))

William David Williford ([CRD #468553](#), Scottsdale, Arizona)

February 29, 2024 – An AWC was issued in which Williford was barred from association with any FINRA member in all capacities. Without admitting or denying the findings, Williford 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 surrounding a Form U5 filed by his member firm that stated that he was permitted to resign following concerns about his judgment relating to a 2020 Small Business Administration Covid-19 Economic Injury Disaster Loan application. ([FINRA Case #2022075119502](#))

Individuals Suspended

Linda Chan ([CRD #5027783](#), Monterey Park, California)

February 1, 2024 – An AWC was issued in which Chan was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Chan consented to the sanctions and to the entry of findings that she certified to the State of New York that she had personally completed 15 hours of continuing education required to renew her state insurance license when, in fact, another person had completed that continuing education on her behalf.

The suspension was in effect from March 4, 2024, through April 3, 2024. ([FINRA Case #2023078620902](#))

Luke Michael Johnson (CRD #3257008, Scottsdale, Arizona)

February 1, 2024 – An Order Accepting Offer of Settlement was issued in which Johnson was assessed a deferred fine of \$15,000, suspended from association with any FINRA member in all capacities for 18 months, and ordered to pay \$21,797.30, plus interest, in deferred partial restitution to customers. The amount of restitution being paid to the customers is equal to the commissions that Johnson received in connection with the customers' at-issue investments. Without admitting or denying the allegations, Johnson consented to the sanctions and to the entry of findings that he made unsuitable recommendations to purchase more than \$2.35 million in illiquid alternative investments to his customers. The findings stated that Johnson earned more than \$132,900 in commissions from these recommendations. Johnson's recommendations were unsuitable for each of the customers based on their investment profiles—including the customers' net worth, liquid net worth, annual income, investment objectives, risk tolerance, and, for the senior customers, their ages. More specifically, Johnson's recommended purchases resulted in the customers becoming overconcentrated in alternative investments. In addition, Johnson's recommendations for some of the customers to purchase limited partnership interests were unsuitable because although each of the alternative investments required investors in these investments to be accredited investors, none of these customers were, as Johnson knew. The findings also stated that Johnson falsified the books and records of his member firm and caused numerous books and records, including New Account Forms, Disclosure Forms, and subscription agreements to contain false and inaccurate information about his customers and about these customers' purchases of alternative investments. In addition, Johnson dramatically inflated his customers' net worth and liquid net worth and dramatically understated the percentage of his customers' assets invested in alternative investments in order to circumvent the firm's concentration policy and supervisory oversight.

The suspension is in effect from February 5, 2024, through August 4, 2025. ([FINRA Case #2019061213402](#))

Brian C. Shevland (CRD #4570496, Palmas Del Mar, Puerto Rico)

February 1, 2024 – An AWC was issued in which Shevland was fined \$10,000 and suspended from association with any FINRA member in all capacities for one year. Without admitting or denying the findings, Shevland consented to the sanctions and to the entry of findings that he made negligent misrepresentations about the performance of two private equity funds (the Funds) to investors. The findings stated that Shevland caused the Funds to invest more than \$20 million (including some of his own money) in a separate private equity fund (the Master Fund), which was managed by a former employer of Shevland. The Funds created documents that contained materially inaccurate performance results that Shevland distributed and directed others at the Funds to distribute to investors on a regular basis. To prepare these documents, the Funds relied on information that Shevland received

from the Master Fund, including unaudited financials claiming that the Master Fund earned consistent positive monthly returns and realized an annual rate of return, net of fees, exceeding 80 percent during one year. Shevland failed to act with due care upon learning of material discrepancies in the financial results reported by the Master Fund. In addition, certain of the Master Fund's monthly reports did not accurately reflect the Funds' investment. Shevland did not ask anyone at the Master Fund about these discrepancies or take any other steps to investigate them. Instead, Shevland negligently continued to direct others at the Funds to use the Master Fund's claimed financial results to create documents that he and others distributed to investors. Those documents materially overstated the performance of the Funds. Subsequently, the manager of the Master Fund was arrested and charged with securities fraud in connection with her operation of the Master Fund. The Master Fund is subject to a receivership and losses to investors in the Funds have yet to be ascertained.

The suspension is in effect from March 4, 2024, through March 3, 2025. ([FINRA Case #2019062544201](#))

Timothy William Leveroni (CRD #836167, Milton, Massachusetts)

February 2, 2024 – An AWC was issued in which Leveroni was fined \$7,500 and suspended from association with any FINRA member in all capacities for two months. Without admitting or denying the findings, Leveroni consented to the sanctions and to the entry of findings that he permitted registered representatives to electronically sign his name on account documents. The findings stated that the representatives electronically signed Leveroni's name on documents for customer accounts where he was the representative of record, using a shared email address that he and the other representatives had access to. None of the customers complained. The documents included required records of his member firm, including new account applications and account update forms. As a result, Leveroni caused the firm to maintain inaccurate books and records.

The suspension is in effect from March 4, 2024, through May 3, 2024. ([FINRA Case #2021073167202](#))

Salvatore Anthony LaRocca (CRD #1742689, Mt. Sinai, New York)

February 5, 2024 – An AWC was issued in which LaRocca was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, LaRocca consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension was in effect from March 4, 2024, through April 3, 2024. ([FINRA Case #2023079740001](#))

Sarvendra Harkishun ([CRD #5703273](#), South Richmond Hill, New York)

February 7, 2024 – An AWC was issued in which Harkishun was assessed a deferred fine of \$2,500 and suspended from association with any FINRA member in all capacities for four months. Without admitting or denying the findings, Harkishun consented to the sanctions and to the entry of findings that he did not obtain his member firms' written consent before opening, or continuing to maintain, outside brokerage accounts in which securities transactions could be effected and in which he had a beneficial interest. The findings stated that Harkishun certified in one of the firm's annual attestations that he had not opened any outside brokerage accounts for which that firm had not been notified. Harkishun also certified to another firm in an account certification that he had disclosed all accounts to the firm. In addition, Harkishun failed to notify the financial institutions at which he held the accounts of his associations with the firms.

The suspension is in effect from February 20, 2024, through June 19, 2024. ([FINRA Case #2022074489202](#))

Matt Ward ([CRD #2075525](#), Los Angeles, California)

February 7, 2024 – An AWC was issued in which Ward was fined \$5,000 and suspended from association with any FINRA member in all capacities for 15 business days. Without admitting or denying the findings, Ward consented to the sanctions and to the entry of findings that he exercised discretion in customer accounts without prior written authorization to do so from any of the customers and without his member firm having accepted any of the accounts as discretionary. The findings stated that Ward effected trades in the customer accounts without first speaking to the customers prior to execution on the date of the transactions. Ward's customers knew that he was exercising discretion in their accounts.

The suspension was in effect from March 4, 2024, through March 22, 2024. ([FINRA Case #2023080530501](#))

Grant Douglas Johnson ([CRD #2355556](#), Chattanooga, Tennessee)

February 8, 2024 – An AWC was issued in which Johnson was assessed a deferred fine of \$15,000 and suspended from association with any FINRA member in all capacities for six months. Without admitting or denying the findings, Johnson consented to the sanctions and to the entry of findings that he participated in private securities transactions totaling \$610,000 without disclosing his participation in these transactions or receiving written approval to participate in them from his member firm. The findings stated that Johnson was a 4.9 percent owner of an entity that managed special purpose vehicles that facilitated investments in portfolio entities through private offerings. Johnson personally invested \$210,000 in these offerings and had conversations with other potential investors regarding the

offerings. These investors ultimately invested \$400,000 in the offerings, and Johnson provided the investors with further updates about the status of their investments after the investments closed. The management entity was entitled to collect carried interest as selling compensation after the investments reached certain performance benchmarks, and Johnson was entitled to a share of this carried interest.

The suspension is in effect from February 19, 2024, through August 18, 2024. ([FINRA Case #2022076763001](#))

Jeffrey Wayne Davidson (CRD #4585780, Austin, Texas)

February 16, 2024 – An AWC was issued in which Davidson was assessed a deferred fine of \$15,000 and suspended from association with any FINRA member in all capacities for 21 months. Without admitting or denying the findings, Davidson consented to the sanctions and to the entry of findings that he participated in a private offering of securities that raised \$10.21 million for a company that he founded and co-owned without providing prior written notice to his member firm or receiving written approval from it. The findings stated that Davidson disclosed his ownership interest in the company to the firm as an OBA, which the firm approved. However, the company engaged in a private offering of ownership units, which were securities sold pursuant to Regulation D of the Securities Act. In connection with the offering, Davidson hired a placement agent, approved a private placement memorandum for distribution to prospective investors, presented a business plan to prospective investors, and negotiated the terms of the transaction with investors. Some of the investors, including two of Davidson's customers at the firm, invested in the company through a limited partnership. Although Davidson did not earn any commissions in connection with the offering, Davidson and his co-owner received approximately \$2.4 million by selling a portion of their ownership interest in the company.

The suspension is in effect from February 19, 2024, through November 18, 2025. ([FINRA Case #2022073948401](#))

Vincent Joseph Cagnina (CRD #6411535, Lake Grove, New York)

February 20, 2024 – An AWC was issued in which Cagnina was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Cagnina consented to the sanctions and to the entry of findings that he certified to the State of New York that he had personally completed 15 hours of continuing education required to renew his state insurance license when, in fact, another person had completed that continuing education on his behalf.

The suspension is in effect from March 18, 2024, through April 17, 2024. ([FINRA Case #2023079745801](#))

Ashley Marie Curreri (CRD #5843466, Bellport, New York)

February 26, 2024 – An AWC was issued in which Curreri was assessed a deferred fine of \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Curreri consented to the sanctions and to the entry of findings that she certified to the State of New York that she had personally completed 15 hours of continuing education required to renew her state insurance license when, in fact, another person had completed that continuing education on her behalf.

The suspension was in effect from March 4, 2024, through April 3, 2024. ([FINRA Case #2023079709401](#))

Maureen Joann D'Amico (CRD #2283701, St. James, New York)

February 26, 2024 – An AWC was issued in which D'Amico was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, D'Amico consented to the sanctions and to the entry of findings that she certified to the State of New York that she had personally completed 15 hours of continuing education required to renew her state insurance license when, in fact, another person had completed that continuing education on her behalf.

The suspension is in effect from March 18, 2024, through April 17, 2024. ([FINRA Case #2023079728001](#))

Yuqing Lin (CRD #5939096, New York, New York)

February 26, 2024 – An AWC was issued in which Lin was fined \$5,000 and suspended from association with any FINRA member in all capacities for one month. Without admitting or denying the findings, Lin consented to the sanctions and to the entry of findings that she certified to the State of New York that she had personally completed 15 hours of continuing education required to renew her state insurance license when, in fact, another person had completed that continuing education on her behalf.

The suspension is in effect from March 18, 2024, through April 17, 2024. ([FINRA Case #2023079694301](#))

Ramses David Visher (CRD #6012559, Malibu, California)

February 26, 2024 – An AWC was issued in which Visher 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, Visher consented to the sanctions and to the entry of findings that he made negligent misrepresentations of material facts and omitted material information about private placement offerings involving two proposed broker-dealer firms to a prospective purchaser.

The findings stated that Visher, the Chief Compliance Officer, Chief Financial Officer, and Managing Director of both entities, prepared and distributed all written materials related to the offerings and sent emails to the prospective purchaser in which he provided additional information about the offerings and answered the prospective purchaser's questions. In the written materials and emails, Visher negligently misrepresented that the entities were approved FINRA members and broker-dealers. Visher incorrectly believed that the inaccurate representations in the written documents were boilerplate and would not cause confusion. However, these misrepresentations and omissions were material and misleading because they gave the prospective purchaser inaccurate information about the entities' regulatory approval to operate core business lines. In addition, after FINRA denied a new membership application (NMA) for one of the entities, Visher sent the prospective purchaser an email and attachments that continued to refer to that entity as a broker-dealer and outlined first year projections for the entity's income and expenses, including projected income from broker-dealer revenue streams that required FINRA membership and approval. After filing an NMA for the other entity, which was largely identical to the NMA FINRA had already denied the prior month, Visher sent an email to the prospective purchaser stating that the company name was amended, without disclosing that the other entity was a separate legal entity, formed after FINRA had denied the initial NMA. Visher believed that the prospective investor understood the legal status of each entity. However, these misrepresentations and omissions were material and misleading because they gave an incorrect impression of the likelihood that the other entity would receive approval to operate as a U.S. broker-dealer and earn revenue. Further, Visher sent another email to the prospective purchaser in which he negligently misrepresented that he was registered with FINRA in multiple capacities, including as a General Securities Principal, Registered Options Principal, and Financial and Operations Principal (FINOP), when those registrations had expired. Although Visher was in the process of seeking an administrative waiver from FINRA to avoid the need to retest for each expired registration, FINRA had not approved Visher's request. Visher believed that FINRA would ultimately approve the request. However, Visher's misstatements and omissions were material because they provided the prospective purchaser with inaccurate information about Visher's qualifications. Later, the prospective purchaser signed the other entity's private placement memorandum and subscription agreement and invested \$25,000 in exchange for a 10 percent ownership interest in that entity. Visher returned these funds to the purchaser and also paid the purchaser a 30 percent premium.

The suspension is in effect from March 4, 2024, through July 3, 2024. ([FINRA Case #2023077914601](#))

Lucas R. Mroz ([CRD #5725399](#), Elk Grove Village, Illinois)

February 27, 2024 – An AWC was issued in which Mroz was fined \$7,500 and suspended from association with any FINRA member in all capacities for 45 days. Without admitting or denying the findings, Mroz consented to the sanctions and to the entry of findings that he made unauthorized transactions by processing fund transfers from a customer’s account based upon instructions given to him by the customer’s father, who was not authorized to direct transactions in the customer’s account. The findings stated that Mroz was the sales assistant to the registered representative of record for a brokerage account held by the customer and a separate account held by her father. Mroz made three fund transfers, each for \$100,000, from the customer’s account to her father’s account. Mroz inaccurately represented on the firm’s verbal authorization forms that he had spoken with the customer when he actually had communicated with her father. After the customer questioned the transfers, the father transferred the funds back to her account. Mroz did not earn any compensation for the transfers.

The suspension is in effect from March 18, 2024, through May 1, 2024. ([FINRA Case #2022074074801](#))

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.

Michael Ryan Petruska ([CRD #4907900](#), Milford, Massachusetts)

February 21, 2024 – Petruska was named a respondent in a FINRA complaint alleging that he willfully failed to amend his Uniform Application for Securities Industry Registration or Transfer (Form U4) to disclose that he been charged with a felony. The complaint alleges that a criminal complaint charged Petruska with Indecent Assault and Battery on Child Under Age of 14, in violation of Chapter 265, Section 13B of the Massachusetts General Laws, a felony under the Massachusetts General Laws. While Petruska was registered with FINRA through his association with a member firm, he learned that he had been charged with the felony, however, he failed to amend his Form U4 to disclose it. ([FINRA Case #2022076149301](#))

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.)

Vinessa Renee Christian (CRD #1860324)
 Montclair, New Jersey
 (February 5, 2024)
 FINRA Case #2023078490201

Cody Chase Coffey (CRD #5748127)
 Fort Payne, Alabama
 (February 13, 2024)
 FINRA Case #2023078237201

Denzel J. Coleman (CRD #6757381)
 Austell, Georgia
 (February 5, 2024)
 FINRA Case #2023078470501

John Jay Kersey (CRD #1480524)
 Lebanon, Ohio
 (February 13, 2024)

FINRA Case #2023079099601
 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.)

James Brennan Brown (CRD #6216202)
 Albany, Oregon
 (February 12, 2024)
 FINRA Case #2023080248801

Victor Joseph Droubie Jr. (CRD #1892542)
 Clearwater, Florida
 (February 26, 2024)
 FINRA Case #2023079896401

Chun Suk Elmejjad (CRD #2508442)
 Centreville, Virginia
 (February 20, 2024)
 FINRA Case #2023080407901

Jonathan Gervaise (CRD #5492872)
 Webster, New York
 (February 22, 2024)
 FINRA Case #2022074549401

Jonathan Mendall Long (CRD #5992305)
 Tampa, Florida
 (February 20, 2024)
 FINRA Case #2023078681001

Thomas James Prieur (CRD #4296010)
 Penn Laird, Virginia
 (February 12, 2024)
 FINRA Case #2023078772101

Ronald A. Wells II (CRD #7216314)
 Palm Springs, Florida
 (February 26, 2024)
 FINRA Case #2022077404801

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.)

Kwame Adusei (CRD #6166926)
LaGrangeville, New York
(February 28, 2024)
FINRA Arbitration Case #23-02468

Kevin Michael Arvoy (CRD #5938015)
Fairfield, Connecticut
(February 8, 2024)
FINRA Arbitration Case #23-01475

Stephen Paul Florio (CRD #1186577)
Plantation, Florida
(April 26, 2023 – February 27, 2024)
FINRA Arbitration Case #18-04045

Mitchell Roby (CRD #3045622)
Baxter, Minnesota
(February 16, 2024)
FINRA Arbitration Case #23-02204

FINRA Fines Morgan Stanley \$1.6 Million for Municipal Securities Violations and Related Failures

First FINRA Disciplinary Action for Violation of Close-Out Requirements of Municipal Securities Rulemaking Board (MSRB) Rule G-12(h) and Related Supervisory Failures

FINRA announced that it has fined [Morgan Stanley Smith Barney LLC](#) \$1.6 million for the firm's repeated failures to timely close out failed inter-dealer municipal securities transactions and to take prompt steps to obtain physical possession or control of municipal security positions that are short more than 30 calendar days, and related supervisory failures. This is the first disciplinary action in which FINRA has charged a firm with violating the [close-out requirements of MSRB Rule G-12\(h\)](#) and related supervisory failures. FINRA previously sanctioned Morgan Stanley for supervisory failures regarding short positions in municipal securities in 2015.

"Member firms must establish and maintain controls and procedures for detecting, resolving and preventing the consequences of municipal short positions and fails to receive. That includes strictly adhering to the close-out requirements under MSRB Rule G-12(h) and timely identifying and addressing short positions and fails to receive in municipal securities under the Securities Exchange Act of 1934 (Exchange Act) Rule 15c3-3," said Bill St. Louis, Executive Vice President and Head of Enforcement at FINRA.

MSRB Rule G-12(h) requires that failed inter-dealer municipal securities transactions be canceled or closed out no later than 20 calendar days after settlement date. Rule 15c3-3(d)(2) of the Exchange Act requires a broker-dealer to take prompt steps to obtain physical possession or control of securities it failed to receive for more than 30 calendar days.

FINRA found that Morgan Stanley failed to timely cancel or close out 239 inter-dealer municipal transactions aged over 20 calendar days after settlement date with a total value of approximately \$9 million from December 2016 through August 2021. In addition, from January 2016 through August 2021, the firm failed to take the required, prompt steps to obtain possession or control of 247 municipal securities with a total value of approximately \$9.4 million it had failed to receive for an average of approximately 177 days. The firm also failed to establish and maintain a supervisory system and WSPs reasonably designed to achieve compliance with the close out requirements of MSRB Rule G-12(h) and the possession or control requirements of Exchange Act Rule 15c3-3(d)(2) and did not modify its system and processes for addressing municipal fails-to-receive until June 2021 or update its WSPs until September 2021.

In settling [this matter](#), Morgan Stanley consented to the entry of FINRA's findings without admitting or denying the charges. FINRA allocated \$1.2 million of the \$1.6 million fine to the MSRB.