

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 105457 / May 12, 2026

Admin. Proc. File No. 3-22491

In the Matter of the Application of

MICHAEL CIRO COLLETTI

For Review of Disciplinary Action Taken by

FINRA

ORDER DIRECTING ADDITIONAL BRIEFING

Michael Ciro Colletti seeks Commission review of FINRA’s imposition of a \$10,000 fine, \$5,417 in restitution, and an eight-month suspension for making unauthorized and excessive trades in a customer’s account. Colletti also filed a motion for remand or, alternatively, leave to present evidence of his inability to pay FINRA’s monetary sanctions due to expenses resulting from his now late wife’s medical treatment.

Colletti argues that FINRA failed to address his inability to pay argument.¹ FINRA does not contest that it did not explicitly address Colletti’s argument, but argues that Colletti, who was pro se at the time, waived that contention by not producing evidence of his inability to pay at any point during FINRA’s disciplinary proceeding. Colletti disputes this, claiming that he alleged changing financial circumstances that FINRA’s National Adjudicatory Council (“NAC”) should have considered.² The current briefing does not fully address, however, when or to what degree—if at all—Colletti claimed changed financial circumstances before the NAC or whether he waived any portion of his inability-to-pay claim.

¹ Cf. FINRA Sanction Guidelines 6 (Sept. 2022), <https://www.finra.org/sites/default/files/2024-03/2022-sanction-guidelines.pdf> (requiring consideration of a respondent’s inability to pay a monetary sanction, if respondent properly raises the issue and presents evidence of such inability, and noting that “Adjudicators should require respondents who raise the issue of inability to pay to document their financial status through the use of standard documents that FINRA staff can provide”).

² Cf. *id.* (stating that, if an inability to pay claim is not properly raised before trial-level adjudicators, adjudicators on appeal may presume the claim waived unless the inability to pay is alleged to have resulted from a subsequent change in circumstances).

Colletti also has not introduced any evidence either before FINRA or here of his claimed inability to pay. Commission Rule of Practice 452 requires a movant seeking to submit additional evidence to show “with particularity that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence previously.”³

Under the circumstances, additional briefing will assist the Commission regarding (1) whether Colletti waived his inability-to-pay claim and (2) the introduction of evidence supporting Colletti’s alleged inability to pay the fine and restitution.⁴

Accordingly, IT IS ORDERED that by June 2, 2026, Colletti shall file a brief (a) addressing when, if at all, he alleged changed financial circumstances before the NAC and whether he waived any portion of his inability-to-pay claim before the FINRA hearing panel, the NAC, or both; and (b) if Colletti still seeks to adduce additional evidence, addressing each element of the Rule 452 standard, with any evidence that Colletti seeks to adduce attached. Such evidence should include a sworn affidavit or declaration by Colletti and any accompanying exhibits containing (i) a comprehensive and particularized explanation of his alleged inability to pay FINRA’s monetary sanctions due to expenses resulting from his wife’s medical treatment, and (ii) a timeline of when his alleged inability to pay arose.⁵ In submitting financial information under this order, Colletti may move under Rule 322 for a protective order against public disclosure of the information.⁶

It is FURTHER ORDERED that FINRA shall file any opposition brief to Colletti’s brief by June 23, 2026, and Colletti may file a reply brief by July 7, 2026. In ordering additional briefing, this order suggests no position on the merits of Colletti’s inability-to-pay claim or the

³ 17 C.F.R. § 201.452.

⁴ See *Michael H. Novick*, Exchange Act Release No. 37503, 1996 WL 431116, at *2 (Jul. 31, 1996) (permitting respondent to adduce new evidence regarding his ability to pay sanctions where respondent “was unable to adduce this new evidence earlier because the [a]ffidavit deals with [respondent’s] current financial status”); *Toney L. Reed*, Exchange Act Release No. 33676, 1994 WL 62111, at *4 (Feb. 24, 1994) (remanding for NASD to consider inability to pay restitution award after applicant attempted to introduce evidence on this point to the Commission).

⁵ Without pre-judging the form of Colletti’s submissions, we note the availability of a FINRA form enumerating information relevant to an individual’s financial condition. See Statement of Financial Condition, https://www.finra.org/sites/default/files/2020-04/sample_financial_statement.pdf; cf. Form D-A, https://www.sec.gov/file/alj/form-da_0.pdf (setting forth financial disclosures required by respondents claiming inability to pay Commission monetary penalties).

⁶ 17 C.F.R. § 201.322.

propriety of remand to FINRA. The Commission may direct further briefing or take the submissions under consideration.

For the Commission, by the Office of the General Counsel, pursuant to delegated authority.

Vanessa A. Countryman
Secretary