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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DISTRICT OF COLUMBIA



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**Application of Michael Nicholas Romano for Review of  
Disciplinary Action Taken by Financial Industry  
Regulatory Authority (Matter No. 2014040111901)**

**NOTICE OF APPEAL**

3-15978

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Notice is hereby given that Michael Nicholas Romano appeals to the Securities and Exchange Commission from his Bar from Association with any FINRA Member, pursuant to FINRA Rule 9552(h), effective June 27, 2014. The basis for Mr. Romano's appeal is FINRA's wrongful denial of Mr. Romano's motion to stay the FINRA proceedings.

On February 6, 2014, Mr. Romano was charged by indictment (No.: 2014-NY-0051) in the Supreme Court of the State of New York, New York County, with charges of grand larceny, securities fraud, and tax fraud in connection with his prior role as Executive Director of W.J. Bonfanti, Inc. ("WJB"), a privately held institutional broker-dealer.

The principal allegations allege that the Mr. Romano, together with others, defrauded investors by convincing them to extend old loans and invest new money that was used not only for business expenses, but also on personal expenditures. In addition, Mr. Romano is accused of having under-reported his income on his personal income tax returns.

On February 18, 2014, Mr. Romano received a letter notifying him of an investigation initiated by FINRA, pursuant to FINRA Rule 8210 (Matter No. 20140401119), and demanding sworn statements and documents from Mr. Romano by February 25, 2014. That deadline was extended to March 3, 2014. At that time, Mr. Romano indicated that, while he wished to comply, he would be unable to, because to do so would (1) strip him of his Fifth Amendment right

against compelled self-incrimination, and his Sixth Amendment right to maintain his attorney-client privilege, and (2) force him to divulge his defenses to the pending indictment.

The allegations set forth in the February 18, 2014, letter are exactly the same allegations contained in the indictment against Mr. Romano pending in the New York Supreme Court.

On March 24, 2014, Mr. Romano received a Notice of Suspension pursuant to FINRA Rule 9552 for his failure to provide requested information as required by FINRA Rule 8210. According to the Notice, as of April 17, 2014, he would be suspended from associating with any FINRA member in any capacity. On April 16, 2014, Mr. Romano requested a hearing, and on April 17, pursuant to Rule 9559, governing expedited proceedings, a hearing was scheduled.

On April 23, 2014, Mr. Romano filed a motion to stay the expedited proceeding based on the fact that compliance with FINRA's requests for information and testimony from Mr. Romano would force him to give up his constitutional rights, including his Fifth Amendment right against compelled self-incrimination, in his parallel criminal proceeding. Mr. Romano argued that FINRA's disciplinary authority makes it a state actor when, as here, FINRA and the New York County District Attorney's Office are sufficiently closely coordinated as to make FINRA an essential agent of the prosecuting authority.

On April 29, 2014, Hearing Officer David R. Sonnenberg issued a preliminary Order denying Mr. Romano's motion. On May 2, 2014, Hearing Officer Sonnenberg issued a supplemental Order denying Mr. Romano's motion.

In light of the decision, Mr. Romano indicated that, on the advice of counsel, he would be unable to participate in the scheduled hearing. Thereafter, on May 7, 2014, Hearing Officer Sonnenberg issued an Order Dismissing the Expedited Proceeding and formally suspending Mr. Romano from associating with any member firm in any capacity.

On June 27, 2014, Mr. Romano was banned from association with any FINRA member, pursuant to FINRA Rule 9552(h). This appeal now follows.

Mr. Romano resides at [REDACTED]. All correspondence should be directed to Mr. Romano's counsel, Edward V. Sapone, LLC, located at 40 Fulton Street, 23<sup>rd</sup> Floor, New York, New York 10038. A Notice of Appearance is attached to this Notice of Appeal.

Dated: New York, New York  
July 16, 2014



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