

# HARD COPY

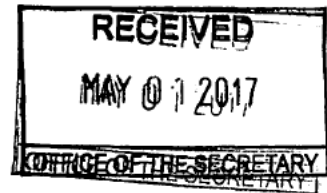
Ahmed A. Gadelkareem

[REDACTED]

[REDACTED]

Brooklyn, NY [REDACTED]

Cell: [REDACTED]



April 27<sup>th</sup> 2017

VIA FedEx  
Brent J .Fields, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Room 10915  
Washington, DC 20549-1090

Re: In the matter of the Application for Review of Ahmed Gadelkareem  
Administrative Proceeding No. 3-17934

Dear Mr. Fields:

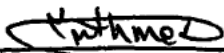
Enclosed please find the original and three copies of Gadelkareem early submission of his supplemental briefing in support of his appeal regarding violation of rule 2010.

And in regarding to FINRA opposes Gadelkareem stay request , It is a red herring, FINRA opposes is misleading and distracting from a relevant and important issue. It is a logical fallacy meant to leads readers towards a false conclusion.

Therefore, Gadelkareem is submitting an early submission of his supplemental briefing in support of his appeal regarding violation of rule 2010, in order to lead the commissions towards a fair conclusion.

Please feel free to contact me at (917) 549 5129 if you have any questions.

Very truly yours,



Ahmed Gadelkareem

Enclosures

**Copy to:**

**FINRA**

**Attn; Celia Passaro**

**Office of General Counsel**

**FINRA**

**1735 K Street, N.W-TH floor**

**Washington, D.C. 20006**

# HARD COPY

UNITED STATES OF AMERICA

Before the SECURITIES AND EXCHANGE COMMISSION

-----X

DEPARTMENT OF ENFORCEMENT,

DISCIPLINARY PROCEEDING

No. 2014040968501

Complainant,

Hearing Officers:

V.

SUPPLEMENTAL BRIEFING

AHMED GADELKAREEM

(CRD No.1045883)

Respondent.

-----X

SUPPLEMENTAL BRIEFING IN SUPPORT  
OF RESPONDENTS' APPEAL REGARDING VIOLATION OF RULE 2010

Ahmed Gadelkareem  
Pro se

[REDACTED]  
A  
Brooklyn, New York [REDACTED]

[REDACTED]

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## PRELIMINARY STATEMENT

For nearly 19 years, Ahmed Gadelkareem ("Gadelkareem") has worked in the securities industry as a registered representative. During his long career, Gadelkareem has worked for numerous FINRA members, some good and others that were later expelled from the industry for regulatory violations. It could be said that, when it comes to working as a registered representative, Gadelkareem had seen it all; but even he was unprepared for what he experienced at Blackbook Capital LLC ("Blackbook"). The toxic work environment Gadelkareem experienced at Blackbook created animosity between Gadelkareem and other Blackbook employees and staff. On April 2, 2014, tensions boiled over and a shouting match between Gadelkareem and a Blackbook receptionist, Krystal Sessa, took place. This resulted in Ms. Sessa filing an incident report with Blackbook that the firm would later cite as the basis for terminating Gadelkareem on April 7, 2014.

The sole cause of action brought by Enforcement deals with the aftermath of Gadelkareem's termination. Over the course of approximately ten weeks, Gadelkareem sparred back-and-forth with Blackbook and several of its employees over issues like withheld commissions, finder's fees for pending investment deals, communications to clients and even the refusal to return Gadelkareem's personal possessions. Enforcement believes that the content, tone and frequency of the communications in this employment dispute – and that's what this was, an employment dispute – amount to regulatory violations; they do not. The text, legislative history and disciplinary precedent regarding FINRA Rule 5240 do not support Enforcement's assertion that Gadelkareem's behavior amounts to a regulatory violation.

The behavior that Enforcement takes issue with in this matter is not pleasant and can appear outrageous when observed in the vacuum of litigation. Enforcement has determined that

such behavior warrants a permanent bar from the securities industry; however, in making this determination, Enforcement fails to see the forest for the trees. While it is true that several of Enforcement's exhibits are quite damning, there is not a single mention of any harm to investors, harm to the integrity of the securities markets or even any harm to FINRA. Any parties allegedly harmed by the actions at issue have already sought restitution through FINRA Dispute Resolution and all claims by and against Gadelkareem have been settled.

Enforcement seeks to end Gadelkareem's career in the securities industry, which spans nearly two decades, on the basis of poor behavioral decisions, made in the heat of a passionate employment dispute that involved no investors or securities. As discussed further below, such behavior does not qualify as a regulatory violation and certainly does not justify a permanent bar from the industry.

## DISCUSSION

### I. FACTUAL BACKGROUND

#### A. **Gadelkareem has never been accused of anything similar to these allegations in nearly 19 years in the securities industry.**

According to Gadelkareem's CRD Report, aside from this pending action, Gadelkareem has not had a so-called "reportable event" in over 15 years. Prior to that, all four reported events on Gadelkareem's CRD arose from two customer complaints, neither of which have any similarity to Enforcement's claim. Gadelkareem was either terminated or permitted to resign as a result of these complaints but neither of them resulted in the kind of action that is currently alleged. It wasn't until 13 years later, when he started working at Blackbook, that Gadelkareem's behavior was first described as an issue.

**B. Blackbook's termination of Gadelkareem was based on unsubstantiated allegations that set the tone for the employment dispute.**

The cause for Blackbook's termination of Gadelkareem is based on a written complaint filed by a Blackbook receptionist, Krystal Sessa. In her complaint, Ms. Sessa claims that Gadelkareem verbally abused her on April 2, 2014 and made her feel threatened while she was attempting to complete a task he had given her.<sup>1</sup> At the hearing, testimony will be offered from Alfonso L. Vigliotti, a registered representative who was on the phone with Gadelkareem at the time of his altercation with Ms. Sessa. Mr. Vigliotti will testify that it was actually Ms. Sessa who initiated the verbal altercation and why Gadelkareem filed a police report against her for harassment.

Ms. Sessa's issues with Gadelkareem stem from his refusal to supplement her salary with a percentage of his commission payout, like some other Blackbook employees had done. This created hostility between Ms. Sessa and Gadelkareem that eventually led to incident of April 2<sup>nd</sup>. Ms. Sessa's animosity towards Gadelkareem caused her to make exaggerations in her complaint against him, using statements such as "not the first incident" and that Gadelkareem "verbally abuses all female employees."<sup>2</sup> While the facts surrounding Ms. Sessa's complaint are disputed, Blackbook's subsequent actions are not.

Blackbook used the same exaggerated language as Ms. Sessa when it filed Gadelkareem's Form U5.<sup>3</sup> The phrasing of Blackbook's U5 submission implies that there were multiple incidents of abusive behavior involving several female employees<sup>4</sup> despite a total lack of evidence of any other incidents. Given the importance of U5 filings and the vital role they

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<sup>1</sup> See CX-18 at 6.

<sup>2</sup> *Id.*

<sup>3</sup> CX-1 at 2.

<sup>4</sup> *Id.*

play in obtaining future employment, the unsubstantiated and damning language used by Blackbook set the tone for what became an incredibly bitter employment dispute.

**C. Blackbook's withholding of Gadelkareem's salary and personal possessions escalated the employment dispute.**

After Gadelkareem's termination, Blackbook withheld the commissions he had earned in his last pay period and refused to allow him into his office to collect his personal items. This is evidenced by the emails at the start of Gadelkareem's dispute with Blackbook, where he repeatedly asks if he can collect his possessions.<sup>5</sup> The petty and unprofessional actions of Blackbook sent Gadelkareem into a rage; this was no longer an employment dispute, it was personal.

Gadelkareem's situation was exacerbated by Blackbook's refusal to pay him the commissions he had earned. Despite any excuse Blackbook may have for withholding this money, they were in direct violation of New York Labor Law Section 191-c.<sup>6</sup> This money was vitally important to Gadelkareem as he had just lost his job, his book of clients and was labeled an abusive employee for all the securities industry to see. In his desperation and anger, Gadelkareem began calling and emailing Blackbook employees venting his frustrations but virtually none of them received a response. The longer these communications went ignored, the longer the original dispute went unresolved and the more extreme they became.

Since his personal efforts were failing, Gadelkareem sought the assistance of any source he could think of, including FINRA and the NY Courts. Gadelkareem reached out to a FINRA investigator, Sean Darling, to complain about Blackbook's behavior and filed two civil claims in small claims court for the payment of his commission and return of his possessions. During this

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<sup>5</sup> See RX-6, RX-7 and RX-8.

<sup>6</sup> N.Y. Lab. Law § 191-c (requiring employers to pay commissions no later than the last day of the month following the month in which the commissions are earned).



time, Gadelkareem continued to barrage with Blackbook employees with communications. While the frequency, tone and language of Gadelkareem's communications are outrageous, they all stem from his original demand to collect his personal items and collect the commissions owed to him by law.

**D. The dispute leading the events at issue has been resolved.**

As a result of the actions described above, Blackbook and its President, Franklin Ogele, filed an arbitration claim against Gadelkareem with FINRA Dispute Resolution to which Gadelkareem filed several counter-claims. On December 7, 2015, all parties executed a Settlement Agreement, effectively ending all the disputes between them.

## II. LEGAL ANALYSIS

**A. FINRA Rule 2010 applies to the market actions, not employment disputes.**

FINRA Rule 2010 simply states, "A member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade." This rule has been seen mostly as a catchall provision but it, like Rule 5240, is intended to protect investors and the markets. In its Notice to Members 08-57 dated October 2008, FINRA states:

*FINRA Rule 2010 requires members, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade. Rule 2010 protects investors and the securities industry from dishonest practices that are unfair to investors or hinder the functioning of a free and open market . . ." (italics added)*

The conduct at issue here had no effect on any investors or the markets as a whole and constitutes an employment dispute, not a regulatory violation. Absent such an effect, Rule 2010, like Rule 5240, does not apply to the actions described in Enforcement's Complaint.

<sup>11</sup> Disciplinary Proceeding No. 2007008358101.

<sup>12</sup> Enforcement, in *John Thomas Financial*, cites to New York Labor Law Section 191-c as part of its argument that Respondent was not entitled to withhold commissions.

### III. SANCTIONS

If, assuming *arguendo*, the Hearing Panel rules in favor of Enforcement, the sanction of a permanent bar, sought by Enforcement is highly improper. Aside from the mitigating factor of Gadelkareem's medical condition, discussed below, FINRA Sanction Guidelines are very clear in this matter.

In order to justify a permanent bar, Enforcement must prove that Gadelkareem's violations of Rules 2010 and 5240 are egregious in nature, which they are not. While the conduct itself can be argued to be egregious, whether it constitutes an egregious violation of the rules is pretty clear. As discussed above, both Rules 2010 and 5240 require an adverse effect on the securities markets, which did not occur here.

FINRA Sanction Guidelines states that outside of egregious cases, suspensions for violations of Rules 2010 and 5240 should range from 10 business days to two years.<sup>13</sup> FINRA states that when considering a more sanction, the Hearing Panel should consider "past misconduct that: (a) is similar to that at issue; or (b) evidences a reckless disregard for regulatory requirements, investor protection, or market integrity."<sup>14</sup> Gadelkareem has been in the securities industry for nearly two decades and has never been accused of regulatory violations before this. Additionally, the alleged violations had absolutely no effect on investors or the markets. Enforcement simply cannot justify a demand for a permanent on the basis of conduct outside of the markets which occurred over a ten weeks period of 19 year career.

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<sup>13</sup> FINRA Sanction Guidelines at 48.

<sup>14</sup> *Id.* at 2-3.

**Franklin Ogele is using a combination of private placements and chapter 11 bankruptcy to scam, earns an attorney 'fee and to generate an excessive commission.**

- 1- Franklin Ogele conducted and participated in a lot of high risk, fraudulent private placements to raised million of US dollars. And after funds were raised he used his law practice to file for them bankruptcy.
- 2- Franklin Ogele conducts are legally conducts but its not ethical business conducts as his intention was only to generate legal fee and commission not to the benefits for the investors or to secure their hard earring money . { the law bar together with FINRA give Franklin Ogele license to steal }
- 3- Respondent "Gadelkareem " learned that his clients were going to participate in a fraudulent , high risk private placement bought to Franklin Ogele by Dennis Herrera to raised \$3,400,000 for a deal called Destiny USA Pancakes LLC ( here in see attachment Exhibit " D 'a copy of Destiny USA Pancakes LLC Memorandum ) .
- 4- Respondent "Gadelkareem "informed the FINRA Enforcement for that Destiny USA Pancakes deal.
- 5- Destiny USA Pancakes " private placement " was not complete and was withdrawn after , a phone call from enforcement warned Franklin Ogele to stop it .
- 6- Respondent "Gadelkareem " learned that one of his biggest client was going to participated on a fraudulent, high risk private placement bought to him by Franklin Ogele to raised \$80,000,000 in a private placement that Franklin Ogele and his partner Mr. Ray Watt at the time of my investigation non of Franklin Ogele or Ray watt are having any equity on that property. (Here in see attachment Exhibit "E 'a copy of an advertisement by the owner on this land for development in Mammee Bay, Ocho Rios, Jamaica ) .
- 7- Respondent "Gadelkareem " called the owner at (876-999-7015) and the owner said that Franklin Ogele and Ray Watt don't own any equity of his property.
- 8- Respondent "Gadelkareem "warned his client by sending him an email and called him in person.

- 9- During the settlement Arbitration #1 4-018125, (Attached is Exhibit "C" a copy of Global settlement agreement and mutual general releases) Franklin Ogele and Ray Watt requested a letter of good reference to that client, Respondent "Gadelkareem " signed that letter after Franklin Ogele and Ray Watt said that this letter will not present to the Enforcement and will only represent to the client.
- 10- Respondent "Gadelkareem " calls to the owner " to confirm the property does not owned by Franklin Ogele or Ray Watt is enough evidence that the deal is fraudulent or Scam .
- 11- If the SEC investigate and call the owner at (876-999-7015), the SEC will find that the property still available for sale.
  
- 12- By Examined Black Book Capital Broker 's Check report , the violation on record , are enough evidences that Franklin Ogele " Black Book capital ' CEO " was running the Firm unethically and therefore FINRA expelled his Brokerage Firm from the securities industry in June 2016 ( Here in Exhibit F a copy of Broker Check report for Black Book capital .)
  
- 13- The question at hand is "Is ----- ethical." To answer whether or not Franklin Ogle is an ethical person is a very difficult thing to say. You have to look at his supporters who will coddle him in any way possible and defend him at all costs. Franklin Ogle is an attorney, he knows many Enforcement attorneys, and he used to be employed with FINRA that is also a plus for him to convince FINRA and the Hearing officer (David Williams) to bar Gadelkareem. { See exhibit F a copy of Franklin Ogele working experiences }

**Employment disputes involving FINRA members are dealt by FINRA Dispute resolution, not Enforcement**

The Accusation of the Hearing officer together with the NAC for Violation of Rule 2010 is trying to put a Square Peg in a Round Hole.

- 1- The NAC indicated that FINRA Rule 2010 is a board ethical rule requires members and associated persons to conduct their business in accordance with "High Standard of commercial honor and just and equitable principles of trade."
  
- 2- Then the NAC added case 'Department of Enforcement v. Olson complaint NO. 2010023349601, 2014 ", case of the Department of Enforcement v.KCD fin, Inc, Complaint NO.2011025851501 , 2016 and case of the Department of Enforcement v. Paratore , Complaint NO.20055002570601 , 2008 , then added Rule FINRA 0140 (a) , case of the Department of Enforcement v Foran, Complaint NO.C8A990017 . 2000, case of the Department of Enforcement v McCrudden, regarding the falsely reporting on his Form U5 ". All of the above is trying to put a Square Peg in a Round Hole.

- 3- When Respondent "Gadelkareem" called the Enforcement office to file the complaint, Sean Darling told Respondent "Gadelkareem" to stop calling him and to file a claim with the FINRA Dispute resolution.
- 4- If the initiated dispute involving FINRA Dispute resolution then all conducts even non business related violence and between FINRA members are dealt by FINRA Dispute resolution, not Enforcement.
- 5- The matter at issue here has already been resolved. Attached is Exhibit "C 'a copy of Global settlement agreement and mutual general releases

Further. Respondent " Gadelkareem " wants to pointedly compliment the NAC for taking its appellate role seriously and for investing the time to consider that the Department of Enforcement had gone overboard in attempting to push and shove Gadelkareem conduct into a Rule 5240 violation.

From Respondent "Gadelkareem " perspective, he concur with the NAC's observations and conclusions and do not believe that Rule 5240 was meant to cover abusive conduct unrelated to pricing, and now Respondent "Gadelkareem " is requesting that the SEC will observant and conclude and will not believe that Rule 2010 was meant to cover violence and conducts that related to employment despite which designed and directed to be dealt by FINRA Dispute resolution, not Enforcement, and the matter at issue here has already been resolved. Attached is Exhibit "C 'a copy of Global settlement agreement and mutual general releases.

By declining to engage in the regulatory equivalent of piling-on, the NAC made FINRA's final decision weak and non consistent, considering that if the conducts of Respondent " Gadelkareem " had only one motive or intention which is to stop Black Book from legally steal Respondent " Gadelkareem " ' clients money through high risk private placements that will generate high attorney' fees going to Franklin Ogele and high commission that goes to a bunch of brokers that have a criminal records { here in an email that Respondent " Gadelkareem " sent to all his clients see attached Exhibit A. .

FINRA represents Respondent "Gadelkareem "as a hot-head, a walking time-bomb, and a danger to his colleagues and the public, when they convicted him with the violation to Rule 5240 to his conducts.

Whoever "Gadelkareem "as is and was, the fact remains that Respondent "Gadelkareem "did not become a raging storm overnight and Respondent "Gadelkareem "anger issues never seemed to have stopped any number of FINRA "member firms from hiring him, that is enough evidence that FINRA enforcement did Framed Respondent "Gadelkareem "in order to barred him after he refused to settled for 18 months suspension and \$10,000 fine, {here in a copy of signed settlement agreement with the FINRA enforcement , see attached Exhibit B } if nothing else , it shows that enforcement did not believe that Respondent "Gadelkareem should be permanently barred .

On the other hand, Respondent " Gadelkareem " believes that most (if not all ) of his conducts which did happen during the investigation by the enforcement or during the hearing sessions are irrelevant and cannot be added to the initiate conducts that create the false violation to Rule 2010 by the FINRA enforcement. Respondent "Gadelkareem " until now still receives a spoofing phone calls with FINRA investigators phone numbers, Respondent " Gadelkareem " did report this sort of harassments to the enforcement but until now there is no action has been taken by the enforcement .

While Rule 2010 does not provide regulators with carte blanche to pursue violations, the reach of Rule 2010 is broad. Respondent " Gadelkareem " understand that even unethical conduct that is not securities-related is prohibited by Rule 2010 , if it occurs in the conduct of the member or associated person's business. During the time of those conducts Respondent " Gadelkareem " was not doing any business and according to Black Book records, Respondent " Gadelkareem was terminated , therefore Respondent " Gadelkareem did not violate Rule 2010 .

Respondent "Gadelkareem "felt at the time of the investigation and at the time of the hearing sessions that he was attacked by enforcement officers, and felt that enforcement officers are protecting one of them "Franklin Ogele "See Exhibit F a brief statement on Franklin Ogele work experience together with Black Book capital FINRA Broker Check " , therefore Respondent " Gadelkareem " reaction was that not to cooperate with the enforcement as a result .

Respondent " Gadelkareem " understand that FINRA members and all associated persons must rely on not only the FINRA written Conduct Rules, but also on their experience and exposure to industry norms, as well as their general sense of what is right or wrong.

Respondent "Gadelkareem "admits that all his behaviors were unethical conducts but none of them was related to business, those conducts were results of a violence that went out of control and does not have anything to do with business conducts under any circumstances .

Respondent "Gadelkareem "accepts a suspension of less than one or one year for all his unethical conducts and violence that are not business related , considering that Respondent "Gadelkareem was at that time a FINRA member and any an associated person must rely on not only the FINRA written Conduct Rules, but also on his experience and exposure to industry norms, as well as his general sense of what is right or wrong, Respondent "Gadelkareem will assures that those type of violence , unethical non business related conducts will never happened again.

Once again, if Vincent McCrudden case was a similar case to Gadelkareem then Gadelkareem should not be barred and get a similar Judgment as Vincent McCrudden.

Suspension for one year not barred from the industry.

“For making abusive, intimidating, and threatening communications to his former employer, in violation of Rule 2110, Respondent (Vincent McCrudden) is suspended for 30 business days and fined \$10,000. For inducing the filing of a misleading and inaccurate Form U5 by his former firm, in violation of Rule 2110, Respondent is suspended for an additional five business days and fined an additional \$2,500.

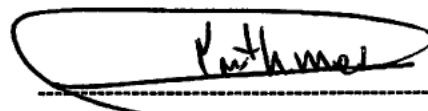
The NAC increased the sanctions afterward to a \$50,000 fine and a one-year suspension.

#### CONCLUSION

Gadelkareem, conducts , while unseemly , harmed no investors , sought no unfair compensation and had absolutely no effect on securities market , it was simply the result of an employment dispute . Employment disputes involving FINRA members are dealt by FINRA Dispute resolution, not Enforcement, and the matter at issue here has already been resolved. Attached is Exhibit "C" a copy of Global settlement agreement and mutual general releases.

For the forgoing reasons, Respondent respectfully requests that the SEC reduce the sanction to a suspension of less than one year or a year if not a case dismissed, since Respondent has already been out of the industry since May 2016 –On the grounds that the respondent's (because of the termination of his employment, held his wages along with held of his belongings are the causes of his conducts), and for such other relief as is deemed just and equitable.

Dated ..... *April 27<sup>th</sup>* 2017



Ahmed Gadelkareem

██████████  
Brooklyn, NY ██████████

**Sent to:**

**SEC**

**The office of the Secretary Securities  
and Exchange Commission.**

**100 F Street, NE,**

**Room 10915**

**Washington, D.C. 20549**

**Copy to:**

**FINRA**

**Attn; Celia Passaro**

**Office of General Counsel**

**FINRA**

**1735 K Street, N.W-TH floor**

**Washington, D.C. 20006**



# Exhibit A

**Franklin Ogele**

---

**From:** Ahmed Kareem [REDACTED]@aol.com>  
**Sent:** Wednesday, April 18, 2014 1:18 AM  
**To:** barriejessop@fsmall.net  
**Cc:** Franklin Ogele  
**Subject:** Fwd: ahmed kareem/blackbook

Dear Mr. Jessop ,

Please stand up for your right , even if Mr. Ogele made or force you to sign a letter to cancel your customer dispute .

If FINRA does an investigation on Blackbook Capital , FINRA will find the followings .

- 1- Mr. Franklin Ogele ( *The president of the company* ), he worked with three companies that expelled by FINRA . Taj Global Equity , All-tech Direct Inc and Domestic Securities Inc .
- 2 Daniel J Giglio one of the principles at the company , has a criminal record with a pending charge .
- 3 AJ Farraj , broker at the company , who is handling your account has 5 judgement / lien , 4 customer dispute and one time employment separation after allegations.
- 4 Silva A Velez broker at the Company , has 5 criminal final disposition , one time judgement / Lien and one time employment separation after allegations .

Don't worry, FINRA might expel them after a deep investigation .

Looking forward to hearing from you soon ,

Cheers ,

Ahmed Kareem

# Exhibit B

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
OFFICE OF HEARING OFFICERS**

Department of Enforcement,  Complainant,  v.  Ahmed Gadelkareem, CRD No. 2815685,  Respondent.	Disciplinary Proceeding No. 2014040968501  Hearing Officer: DW
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**OFFER OF SETTLEMENT**

I.

Respondent Ahmed Gadelkareem (Respondent) makes this Offer of Settlement (Offer) to the Financial Industry Regulatory Authority (FINRA), with respect to the matters alleged by FINRA in Disciplinary Proceeding No. 2014040968501 filed on April 13, 2015 (Complaint), as amended by this Offer.

This Offer is submitted to resolve this proceeding and is made without admitting or denying the allegations of the Complaint (as amended by this Offer). It is also submitted upon the condition that FINRA shall not institute or entertain, at any time, any further proceeding as to Respondent Gadelkareem based on the allegations of the Complaint (as amended by this Offer), and upon further condition that it will not be used in this proceeding, in any other proceeding, or otherwise, unless it is accepted by the National Adjudicatory Council (NAC) Review Subcommittee, pursuant to FINRA Rule 9270.

**II.**

**ORIGIN OF DISCIPLINARY ACTION**

This disciplinary action arose from a cause examination initiated as a result of allegations concerning harassment relating to Blackbook Capital LLC (BD No. 123234) ("Blackbook" or the "Firm").

**III.**

**ALLEGED ACTS OR PRACTICES AND VIOLATIONS BY RESPONDENT**

As alleged in the Complaint (as amended herein), Gadelkareem engaged in the following acts, or failed to act as follows:

**SUMMARY**

Between April 16, 2014 and June 8, 2014, while associated with a FINRA member, Gadelkareem sent abusive and threatening communications to persons associated with his former employer, Blackbook, to retaliate against them and Blackbook for terminating his employment and to force a settlement of a claim for unpaid commissions. As a result of this conduct, Gadelkareem violated FINRA Rules 2010 and 5240.

**RESPONDENT AND JURISDICTION**

Gadelkareem first became registered with FINRA in 1997. He was associated with Blackbook from July 15, 2013 to April 7, 2014 as a general securities representative and an investment banking representative. Since April 16, 2014, Gadelkareem has been associated with another member firm. He is therefore subject to FINRA's jurisdiction pursuant to Article V, Section 2 of the FINRA By-Laws.

**Threatening and Harassing Statements to Blackbook  
and Its Associated Persons (Violation of FINRA Rules 2010 and 5240)**

Gadelkareem first became associated with Blackbook on July 15, 2013. Approximately nine months later, on April 7, 2014, Blackbook terminated Gadelkareem's employment.

According to the Uniform Termination Notice for Securities Industry Registration (Form U5) filed by Blackbook on April 21, 2014, Gadelkareem "was terminated for repeatedly engaging in unprofessional conduct in workplace, including without limitation, threatening and abusive interaction with female employees."

**The Commencement of Gadelkareem's  
Abusive and Threatening Communications**

In retaliation for his termination, Gadelkareem sent a series of offensive emails and made phone calls in which he disparaged, threatened and harassed Blackbook, its President, F.O., and a registered representative who worked at Blackbook named D.H.

Two days after his termination from Blackbook, on Wednesday, April 9, 2014, Gadelkareem left an obscene and highly insulting voicemail message for D.H.

The next day, on Thursday, April 10, 2014, Gadelkareem sent three emails from his personal AOL account to R.W., who was one of Blackbook's owners. The emails to R.W. made accusations about D.H. including unauthorized trading, involvement in fraudulent deals and engaging in sexual relations with an office employee.

On Friday, April 11, 2014, the Firm notified Gadelkareem by email that it intended to sue Gadelkareem for libel and that Blackbook would be withholding his unpaid commissions as security against the claims that it intended to assert against him.

In response, on Saturday, April 12, and Sunday April 13, 2014, Gadelkareem sent several additional harassing emails and left three harassing voicemails for D.H.

**Gadelkareem's Threatening and Abusive  
Communications During His Association with a Member Firm**

On Wednesday, April 16, 2014, Gadelkareem became associated with another FINRA member firm. The same day, he sent an email to a FINRA examiner claiming that he and his clients were being "abused by Blackbook" and alleging that the Firm was wrongfully holding his paycheck and his personal belongs.

Later that afternoon, the FINRA examiner responded by email and asked to speak with Gadelkareem the following day regarding his claims.

In an attempt to intimidate Blackbook and force a settlement, on the evening of April 16, 2014, Gadelkareem forwarded his exchange with FINRA's examiner separately to D.H. and R.W. with the following threats demanding that Blackbook pay him his commissions and return his property:

To D.H.: "Settlement ..., my money 100 % pay out and my stuff or I will keep going !!!! [sic]"

"Every small thing, my phone charger, my calculator .... Every thing .... [sic]"

To R.W.: Settlement, Or you want me to continue ...."

Later that day, Blackbook again demanded in writing that Gadelkareem stop defaming Blackbook and harassing its employees.

On Friday, April 18, 2014, Gadelkareem emailed Blackbook stating that he had filed a complaint against Blackbook with the police and reported the Firm to FINRA, and threatening to report the Firm to the New York Attorney General. In the same email, Gadelkareem then offered to drop all charges that he made with the police and FINRA if Blackbook paid him all his commissions and returned his property. That same day, via email, Blackbook rejected the proposal.

On about April 22, 2014, Gadelkareem learned that Blackbook had reported on his Form U5 that he was terminated for harassing female employees.

In retaliation, on the morning of April 23, 2014, Gadelkareem sent an email to D.H. purporting to forward an email from a FINRA examiner named Steven McMellon (who does not actually exist), in which the examiner states, among other things, that D.H. is going to be arrested.

Later that morning on April 23<sup>rd</sup>, Gadelkareem sent another broker at Blackbook text messages suggesting that the FBI was "coming after" D.H.

In reality, there was no examiner at FINRA named Steven McMellon and the April 23, 2014 email was fabricated using a real FINRA investigator's signature block and contact information.

FINRA Rule 2010 requires registered representatives and associated persons to adhere to high standards of commercial honor and just and equitable principles of trade.

FINRA Rule 5240(a)(3) provides in relevant part that: "No member or person associated with a member shall: ... engage, directly or indirectly, in any conduct that threatens, harasses, coerces, intimidates or otherwise attempts improperly to influence another member, a person associated with a member, or any other person."

Gadelkareem made harassing, and intimidating threats against Blackbook and its associated persons, and impersonated a FINRA examiner, in connection with a dispute over his termination and the payment of commissions. As a result, Gadelkareem violated FINRA Rules 2010 and 5240.



#### IV.

Pursuant to the conditions set forth herein, Respondent consents to the issuance of an Order Accepting Offer of Settlement (Order) and disposing of this proceeding in the following manner:

A. Without admitting or denying the allegations, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of findings of facts and violations by Respondent as set forth above in Section III; and,

B. Imposing sanctions of

- An 18-month suspension from association with any FINRA member firm in any capacity; and
- A fine of \$10,000.

Respondent agrees to pay the monetary sanction(s) upon notice that this Offer has been accepted and that such payments are due and payable. Respondent has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The sanctions herein shall be effective on a date set by FINRA staff.

#### V.

In connection with the submission of this Offer, and subject to the provisions herein, Respondent specifically waives the following rights provided by FINRA's Code of Procedure:

A. any right to a hearing before an Adjudicator (as defined in FINRA Rule 9120(a)), and any right of appeal to the NAC, the U.S. Securities and Exchange Commission, or the U.S.

Court of Appeals, or any right otherwise to challenge or contest the validity of the Order issued, if the Offer and the Order are accepted;

B. any right to claim bias or prejudgment by the Chief Hearing Officer, Hearing Officer, a hearing panel or, if applicable, an extended hearing panel, a panelist on a hearing panel, or, if applicable, an extended hearing panel, the Chief Legal Officer, the NAC, or any member of the NAC; and

C. any right to claim a violation by any person or body of the ex parte prohibitions of FINRA Rule 9143, or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of the Offer and the Order or other consideration of the Offer and Order, including acceptance or rejection of such Offer and Order.

## VI.

Respondent understands that:

A. the Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;

B. the Order will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;

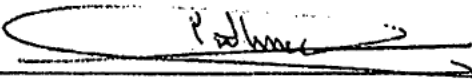
C. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and

D. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation in the Complaint (as amended herein) or create the impression that the Complaint (as

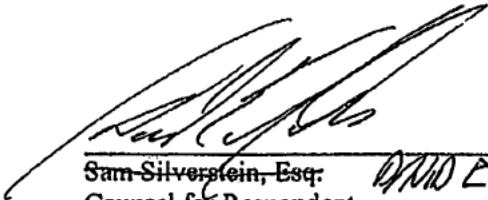
amended herein) is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any allegation in the Complaint (as amended herein). Nothing in this provision affects Respondent's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Respondent certifies that he has read and understands all of the provisions of this Offer and has been given a full opportunity to ask questions about it; that he has agreed to its provisions voluntarily; and that no offer, threat, inducement or promise of any kind or nature, other than the terms set forth herein, has been made to induce him to submit it.

1 | 22 | 2016  
Date

  
Respondent Ahmed Gadalkareem

1/25/16  
Date

  
Sam Silverstein, Esq. *DAVID E. ROBBINS*  
Counsel for Respondent  
Kaufmann Gildin & Robbins LLP  
767 Third Avenue, 30<sup>th</sup> Floor  
New York, NY 10017  
(212) 705-0850  
[ssilverstein@kaufmanngildin.com](mailto:ssilverstein@kaufmanngildin.com)

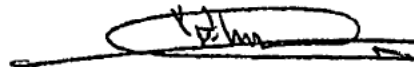
**ELECTION OF PAYMENT FORM**

Respondent intends to pay the fine set forth in the attached Offer of Settlement by the following method (check one):

- A personal, business or bank check for the full amount;
- Wire transfer;
- Credit card authorization for the full amount;<sup>1</sup> or
- The installment payment plan (only if approved by FINRA staff and the Office of Disciplinary Affairs).<sup>2</sup>

Respectfully submitted,

1/22/2016  
Date

  
Respondent Ahmed Gadelkareem

<sup>1</sup> You may pay a fine of \$50,000.00 or less using a credit card. Only Mastercard, Visa and American Express are accepted for payment by credit card. If this option is chosen, the appropriate forms will be mailed to you, with an invoice, by FINRA's Finance Department. Do not include your credit card number on this form.

<sup>2</sup> The installment payment plan is only available for fines of \$5,000 or more. Certain interest payments, minimum initial and monthly payments, and other requirements apply. You must discuss these terms with the FINRA staff prior to requesting this method of payment.

# Exhibit C

BEFORE THE FINRA DISPUTE RESOLUTION

BLACKBOOK CAPITAL LLC, and  
FRANKLIN OGELE

Claimants,

-against-

AHMED GADELKAREEM

Respondent.

Arbitration # 14-018125

**GLOBAL SETTLEMENT AGREEMENT  
AND MUTUAL GENERAL RELEASE**

THIS SETTLEMENT AGREEMENT AND MUTUAL GENERAL RELEASE is made as of the date set forth below (the "Agreement") by and between Claimants BLACKBOOK CAPITAL LLC ("BlackBook"), and FRANKLIN OGELE ("Ogele")(collectively, BlackBook, and Ogele are referred to as "Claimants") and Respondent, Ahmed Gadelkareem ("Respondent" or "Gadelkareem");

WHEREAS, on or about July 2014, Claimants commenced the above-captioned FINRA arbitration against Respondent asserting claims against Respondent;

WHEREAS, Respondent filed an Answer and Counterclaim;

WHEREAS, on May 7, 2014, Respondent filed a complaint with the Supreme Court of New York, Index # CV-012572 asserting claims against Claimants.

WHEREAS, on or about August 14, 2014, Respondent filed a second complaint with the Supreme Court of New York, Index # CV-2230 asserting claims against Claimants

WHEREAS, on or about June 25, 2014, Respondent filed a third complaint with the Supreme Court of New York, Index # CV-1220 asserting claims against Claimants.

WHEREAS, in the matter of CV-012572 and CV-2230, Respondent has been ordered by the New York State Civil Court to submit the matters in controversy to FINRA Arbitration;

WHEREAS in the matters of CV-2230 and CV-1220 Respondent obtained default

judgments for \$5,020.00 and \$1,520.00, both of which were vacated following Claimants' motions to vacate;

WHEREAS, in the matter of CV-1220, Claimant Ogele has moved to compel Respondent to arbitrate before FINRA Arbitration, which hearing is set for December 17, 2015.

IT IS THEREFORE AGREED, in consideration of the mutual promises and covenants below, as follows:

1. Consideration. In consideration for \$7,357.00 payment (presently held by Claimants) by Respondent, which is hereby acknowledged, and execution of the attached letter to Arabia Generale, Inc. (Exhibit A herein) and of the covenants and promises contained herein, including the execution and delivery by Ogele (as Individual Pro Se Claimant) and as Claimant BlackBook's Counsel of the Stipulation of Discontinuance With Prejudice (the "Stipulation of Discontinuance") (attached hereto as Exhibit B), Claimants and Respondent make the mutual general releases as set forth herein.

2. Mutual General Releases.<sup>1</sup>

(a) *By Claimants in favor of Respondent/Gadelkareem.*

Upon execution of this Agreement, each of the Claimants, on behalf of themselves and their respective representatives, agents, assignees, heirs, executors, beneficiaries, legal representatives, affiliates, parents, subsidiaries and assigns, hereby waives, discharges and releases the Respondent and his representatives, agents, and attorneys, from any and all actions, causes of action, obligations, liabilities, claims and demands Claimants have or may have, known or unknown, contingent or otherwise, concerning the matters set forth herein regardless of when they accrued until the date this Agreement is executed by all parties.

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<sup>1</sup> These Releases shall have no effect on any dealings by the parties with Arabia Generale, Inc.

(b) *By Respondent in favor of Claimants*

Upon execution of this Agreement, Respondent, on his behalf and representatives, agents, assignees, heirs, executors, beneficiaries, legal representatives, affiliates, parents, subsidiaries and assigns, hereby waives, discharges and releases each of the Claimants and their respective representatives, agents, attorneys, parents, subsidiaries, affiliates, and individual members, partners, officers, directors, managers and employees of the foregoing, including but not limited to Leonard Ray Watts and Franklin I. Ogele, from any and all actions, causes of action, obligations, liabilities, claims and demands Respondent have or may have, known or unknown, contingent or otherwise concerning the matters set forth herein and whether specifically mentioned or not, regardless of when they accrued until the date this Agreement is executed by all parties.

3. Withdrawal of Action. Claimants and Respondent authorize their respective attorneys to execute the attached Stipulation of Discontinuance, and to take any and all steps necessary to effectuate dismissal with prejudice of this action, including the withdrawal of any and all appeals. Respondent Gadelkareem shall specifically take any and all steps necessary to effectuate dismissals with prejudice of all the civil cases before the Supreme Court of New York, including the CV-1220 action, including the withdrawal of any and all appeals.

4. Modifications; Entirety Clause. This Agreement may be amended or changed or waived, in whole or in part, only by a written instrument signed by the Parties. This Agreement reflects the entire agreement between the parties regarding the subject matter hereof and fully supersedes any and all prior agreements, negotiations and understandings, whether



verbal or written, between the parties hereto. There is no other agreement except as stated herein. The Parties acknowledge that no individual party nor any of the parties' representatives have made any promises to any other party, whether verbal or written, other than those contained in this Agreement.

5. Advice of Counsel. Each Party hereto acknowledges and agrees that it has received the advice of counsel in connection with entering into this Agreement, and that no Party is relying on any other Party concerning this Agreement or any aspect of the transaction contemplated herein.

6. No Admission of Liability. Nothing in this Agreement shall constitute or be deemed to constitute an admission of fault, wrongdoing or liability on the part of any Party.

7. Applicable Law; Jurisdiction. The Parties hereto consent to the jurisdiction of the Courts of the State of New York located in New York County to resolve any dispute regarding the rights, duties, obligations, and any other matters arising from this Agreement, which shall be governed by and interpreted in accordance with the laws of the State of New York law without reference to conflicts of laws principles.

8. Costs and Attorney's Fees. Claimants and Respondent agree that each shall bear their own costs and attorneys' fees as between them in the arbitration and in connection with the negotiation and execution of this Agreement without any further costs to any Party that is a signatory hereto.

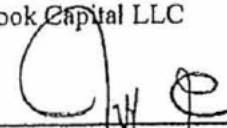
9. Counterparts. The Parties hereto may execute this Agreement in any number of counterparts, each of which shall be deemed an original. All counterparts shall constitute one agreement binding on the Parties regardless of whether all Parties are signatories to the same counterpart, but this Agreement is without effect until all Parties have executed a

counterpart. The Parties hereto agree that any scanned, facsimile or reproduced copy of executed counterparts shall have the same force and effect as the original.


10. IN WITNESS WHEREOF, the Parties to this Agreement have hereunder set their hands as of the date indicated below:

Claimants:

BlackBook Capital LLC

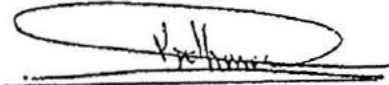
By:   
Franklin J. Ogele  
President and CEO

Dated: 12/7/15

  
Franklin J. Ogele  
(individually)

Dated: 12/7/15

Respondent

By:   
Ahmed Gadelkareem

Dated: 12/7/2015

SUPREME COURT OF THE STATE OF NEW YORK  
NEW YORK COUNTY

Exhibit D

# Destiny USA Pancakes, LLC

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## CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

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\$3,400,000 Secured Note and Limited  
Liability Membership Interests Offering

Offering Price: \$25,000 per Unit

Minimum Subscription: One Unit

Up to 136 Units Offered To Any Number of Accredited Investors Only

**BLACKBOOK CAPITAL**

The date of this Private Placement Memorandum is March 20, 2014.

Offeree \_\_\_\_\_

Document No. \_\_\_\_\_

*Reproduction of This Document Is Not Authorized*

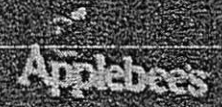
Great franchisees. Great brands.™

dineEquity

**Investor Presentation  
November 8, 2013**

dineEquity

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## SUMMARY OF THE OFFERING

The following is a summary of certain information contained in this Memorandum. This summary is intended for convenient reference only, and you are urged to read the entire Memorandum in its entirety.

### Our Company

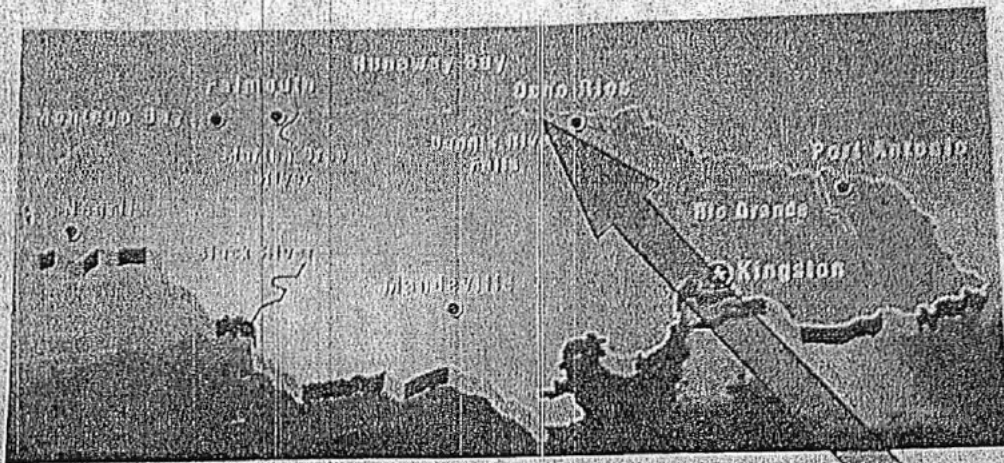
Destiny USA Pancakes, LLC was formed as a limited liability company in the State of New York on March 29, 2013. Unless the context otherwise requires, "Company," "we," "our" or "us" and other similar terms collectively mean Destiny USA Pancakes, LLC. Our principal offices are presently located at 277 North Avenue Rochelle, NY 10801. Our telephone number is 1-855-308-1600. The managing member of the Company is James P. Flaherty.

### Our Plan of Business

We intend to operate multiple restaurants subject to International Franchise Association (IFA) standards. All locations will be strategically placed in high-traffic areas.

Exhibit E

# Jamaica



OVERVIEW OF LAND  
FOR DEVELOPMENT  
IN MAMMEE BAY,  
OCHO RIOS,  
JAMAICA,



Mammee Bay Resorts Limited had already secured the following:-

1. Final Environmental Studies with National Resources Conservation Authority Approval
2. Government Approval for Hotel Enterprise
3. Government of Jamaica 15-Year Tax Incentive Package
4. Town & Country Planning Authority Approval for 354 Room Resort Hotel.
5. Fully Approved Hotel Development Plans including Architectural Blueprints for a 354 Room Resort done by the renowned Evon Williams who has also designed most of the hotels in the Sandals and Superclu Chains throughout the Caribbean.
6. Ministry of Health Environmental Approval of Resort Hotel Plans

You are invited to convey your interest in and outright purchase, or a joint venture project by contacting me for further information and discussion.

*L. O. (Tanny) Shirley, JP*

Mammee Bay Resorts Limited

61 Hagley Park Road

Kingston 10, Jamaica

Tele: (876) 906-9448

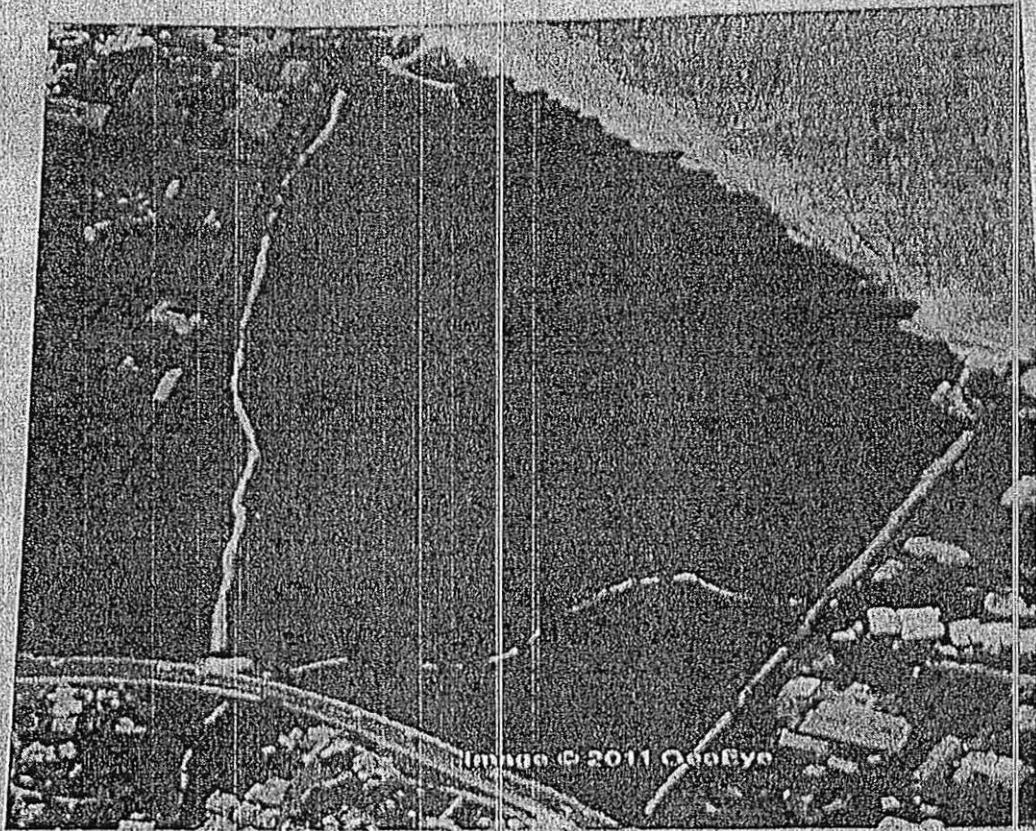
Fax: (876) 926-4743

Mobile: (876) 999-7015

e-mail: [mameebayresorts@yahoo.com](mailto:mameebayresorts@yahoo.com)



## Mammee Bay Property



Mammee Bay Resorts Limited (with directors, Lyttleton and Madge Shirley) is the proud owner of a magnificent beachfront property on the northern coast of Jamaica, in the West Indies, ideally suited for a major hotel development.

This idyllic 11.84 hectare / 29.25 acre property is one of the largest stretches of un-spoilt beach front sites available on the north coast of Jamaica.

With its magnificent beachfront and warm crystal waters, the property is superbly and strategically positioned on Jamaica's "Golden Strip" on the north coast, beside Jewel Beach Resort & Spa Hotel and the Club Hotel Riu Ocho Rios with its eight hundred and forty six (846) rooms.

The site is well located and accessible, the property is considered an excellent site for... providing the above assistance to create a major tourist development... which will... meet the main demand of the island... and the country... Other... the... of St. Ann's... "The Golden Paradise" of the island... is... to the main... The site's close proximity to the main... will not be a... to its consideration for a major... development.

At an approved planning density of thirty (30) rooms per acre, the site has the potential to develop... and seventy (70) rooms.

The town of Ocho Rios is St. Ann's Bay, the capital of the parish is the main... of the island of Jamaica, ranking after the Capital City of Kingston on the south coast and the City of Montego Bay on the north coast in terms of population and economic importance. Ocho Rios is located... of the north coast of the island, about 53 miles from Kingston and 17 miles from Montego Bay. The population of Ocho Rios and its environs is estimated at 420,000.

The overall area of Ocho Rios represents an excellent project area for any major... of... as well as an... development. Its favorable... and Montego Bay allows convenient access... of Montego Bay (the main point of entry... to the island) and to the Norman Manley International Airport, the hub of international business travel to the island. This is... of the... (an Fleming Airport which serves to mainly... to Jamaica, situated about fifteen (15) miles from Ocho Rios.



*Jamaica Beach Resort & Spa Hotel*



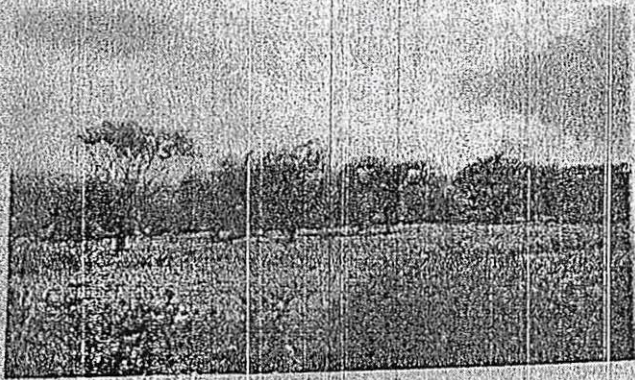
*Club Hotel Rio Ocho Rios*

Located in the centre of the tourist mecca, the property is less than five minutes from the Ocho Rios Town Square. Further, the property is in walking distance of the great Dunn's River Falls which is unique in its facilities and appearance and internationally observed as one of the three most beautiful and greatest tourist attractions in the world.



Just across from Dunn's River Falls is another major tourist attraction, Dolphin's Cove at Treasure Reef which allows visitors to swim and play with dolphins, sharks and stingrays. The Mammee Bay Resorts Property is also in the vicinity of the partially explored Green Grotto Cave with its breathtaking, underground fresh water lake.

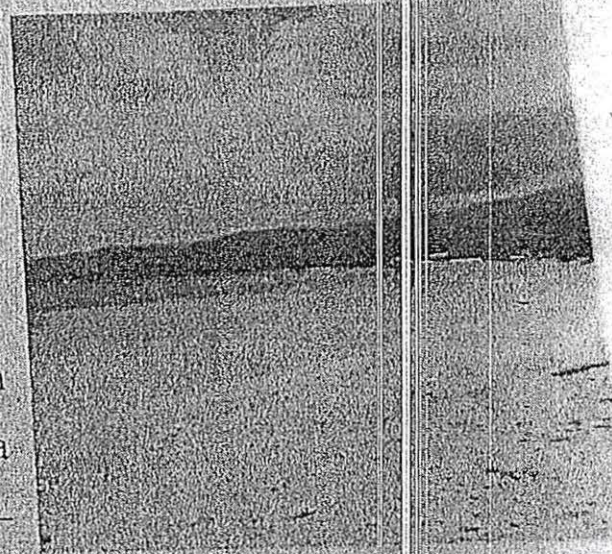
Ocho Rios also boasts Rainforest Bobsled Jamaica at Mystic Mountains, one of the island's newest tourist attraction on 100 acres of land stretching from the coastal road entrance near Dunn's River Falls to over 700 feet above sea level at the peak of Mystic Mountain.



The topography of the Mumber Bay Property boasts a gently sloping vista of prime land. The site itself is relatively flat, with the gentle slope from the main road down to the coast presenting an ideal drainage facility. The

landscape is covered with a wide variety of trees, floral and exotic plants akin to the coastline of the Garden Parish of Saint Ann. The fertility of the land with its lush greenery, combined with the white sand beach is a beauty to behold.

Located west of Ocho Rios, the land is bounded on the north by the white sand beach coastline, kissing the sea with seemingly unending stretch of pristine white sand beach, measuring over 500 meters/1,650 feet of beach front. On the east by the Old Fort Bay luxury residential properties, on the west by the upscale Jewel Beach Resort & Spa Hotel and on the south by the Ocho Rios - Montego Bay coastal highway.



**Exhibit F**

Franklin I. Ogele  
Principal

Mr. Ogele holds degrees in accounting, economics and law. He earned his baccalaureate degree in accounting and economics from The State University of New York at Geneseo, NY in 1982 and graduated from Rutgers Law School in 1989. He is admitted to practice law New York and New Jersey and in the Federal District Court of the Southern District of New York and the Federal District Court of New Jersey.

Mr. Ogele started his financial services career in 1984 when he joined the

NASD as an examiner. He subsequently took a job as General Counsel and Chief Compliance Officer with ABN Amro Securities (USA) Inc. and ABN Amro Asset Management, Inc. After leaving ABN Amro, Mr. Ogele joined Santander Investment Securities Inc. (a unit of Grupo Santander) as Legal Counsel and Chief Compliance Officer. Subsequently, Mr. Ogele joined the law firm of Singer, Zamansky, Ogele and Selengut LLP as the Broker-Dealer Partner. Mr. Ogele was also a former Associate General Counsel and Chief Compliance Officer for All-Tech Direct, Inc., an early pioneer of electronic day trading and operator of The ATTAIN ECN, and a former Associate General Counsel and Chief Compliance Officer for Domestic Securities, Inc. Mr. Ogele has represented broker-dealers and registered representatives before the NASD, the NYSE, the SEC, the New York Federal Reserve Board and various state regulatory agencies. He has served as defense counsel in NASD arbitration cases and recently appeared before the Federal District Court, San Diego, CA as defense counsel in the SEC v. Learn Waterhouse et. al. Mr. Ogele acted as counsel In the Matter of On-Site Trading, Inc. March 17, 1998 NASD Rule Interpretation, which aided the growth of direct access electronic trading industry by establishing the concept of Order Entry and Account Access Centers, which allowed direct access electronic trading firms to establish limited branch operations without the time consuming process of obtaining prior regulatory approval. Mr. Ogele also serves as President of Phoenix Securities, Inc. and holds the following securities industry registrations: Series 7, 8, 14, 24, 27, and 63.



**BrokerCheck Report**  
**BLACKBOOK CAPITAL, LLC**  
CRD# 123234

<b><u>Section Title</u></b>	<b><u>Page(s)</u></b>
Report Summary	1
Registration and Withdrawal	2
Firm Profile	3 - 5
Firm History	6
Firm Operations	7 - 12
Disclosure Events	13



## About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**
- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.
- **Where did this information come from?**
- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
  - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
  - information that regulators report regarding disciplinary actions or allegations against firms or brokers.
- **How current is this information?**
- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.
- **What if I want to check the background of an investment adviser firm or investment adviser representative?**
- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <http://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.
- **Are there other resources I can use to check the background of investment professionals?**
- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at [brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit [www.finra.org](http://www.finra.org).



**BLACKBOOK CAPITAL, LLC**

CRD# 123234

SEC# 8-65577

**Main Office Location**

17 ROOSEVELT DRIVE  
HILLSIDE, NJ 07205

**Mailing Address**

17 ROOSEVELT DRIVE  
HILLSIDE, NJ 07205

**Business Telephone Number**

973-277-4239

**Report Summary for this Firm**

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

**Firm Profile**

This firm is classified as a limited liability company.  
This firm was formed in Delaware on 11/10/2009.  
Its fiscal year ends in December.

**Firm History**

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

**Firm Operations**

This brokerage firm is no longer registered with FINRA or a national securities exchange.

**Disclosure Events**

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	4
Judgment/Lien	1

## Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.



**This firm terminated or  
withdrew registration on:** 06/18/2016

**Does this brokerage firm owe  
any money or securities to  
any customer or brokerage  
firm?** No

## Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Delaware on 11/10/2009.

Its fiscal year ends in December.



## Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

### **BLACKBOOK CAPITAL, LLC**

Doing business as **BLACKBOOK CAPITAL, LLC**

**CRD#** 123234

**SEC#** 8-65577

### **Main Office Location**

17 ROOSEVELT DRIVE  
HILLSIDE, NJ 07205

### **Mailing Address**

17 ROOSEVELT DRIVE  
HILLSIDE, NJ 07205

### **Business Telephone Number**

973-277-4239

## Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.



### Direct Owners and Executive Officers

**Legal Name & CRD# (if any):** OGELE, FRANKLIN IHENDU  
2197820

**Is this a domestic or foreign entity or an individual?** Individual

**Position** CEO, PRESIDENT, FINOP, CCO

**Position Start Date** 07/2004

**Percentage of Ownership** 75% or more

**Does this owner direct the management or policies of the firm?** Yes

**Is this a public reporting company?** No

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**Legal Name & CRD# (if any):** APEX HOMES, INC

**Is this a domestic or foreign entity or an individual?** Domestic Entity

**Position** MEMBER

**Position Start Date** 10/2015

**Percentage of Ownership** 10% but less than 25%

**Does this owner direct the management or policies of the firm?** No

**Is this a public reporting company?** No

[www.finra.org/brokercheck](http://www.finra.org/brokercheck)

## **Firm Profile**

This section provides information relating to any indirect owners of the brokerage firm.

## **Indirect Owners**

No information reported.

User Guidance



[www.finra.org/brokercheck](http://www.finra.org/brokercheck)

## **Firm History**

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.

User Guidance



[www.finra.org/brokercheck](http://www.finra.org/brokercheck)

## **Firm Operations**

### **Registrations**

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

**This firm is no longer registered.**

**The firm's registration was from 03/17/2003 to 06/28/2016.**

User Guidance





## Firm Operations



### Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

**This firm currently conducts 13 types of businesses.**

#### Types of Business

Broker or dealer making inter-dealer markets in corporation securities over-the-counter

Broker or dealer retailing corporate equity securities over-the-counter

Broker or dealer selling corporate debt securities

Underwriter or selling group participant (corporate securities other than mutual funds)

Mutual fund retailer

U S. government securities broker

Broker or dealer selling variable life insurance or annuities

Put and call broker or dealer or option writer

Non-exchange member arranging for transactions in listed securities by exchange member

Trading securities for own account

Private placements of securities

Broker or dealer selling interests in mortgages or other receivables

**Other - APPLICANT OFFERS OTHER INVESTMENT BANKING RELATED SERVICES, INCLUDING BUT NOT LIMITED TO, MERGERS AND ACQUISITIONS, REVERSE MERGERS, RECAPITALIZATION, LEVERAGED BUY-OUTS, MANAGEMENT BUY-OUTS, AND TURNAROUNDS.**

#### Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.

This firm does not engage in other non-securities business.

Non-Securities Business Description:

## Firm Operations



### Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

### Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

**Name:** STERNE, AGEE & LEACH, INC.  
**CRD #:** 791  
**Business Address:** 2 PERIMETER PARK SOUTH, STE 100W  
BIRMINGHAM, AL 35243  
**Effective Date:** 05/19/2012  
**Description:** APPLICANT INTRODUCES ALL ITS TRANSACTIONS ON A FULLY  
DISCLOSED BASIS PURSUANT TO A FULLY DISCLOSED CLEARING  
AGREEMENT WITH STERNE AGEE & LEACH, INC.

## Firm Operations Industry Arrangements



**This firm does have books or records maintained by a third party.**

**Name:** STERNE, AGEE & LEACH, INC.  
**CRD #:** 791  
**Business Address:** 2 PERIMETER PARK SOUTH, STE 100W  
BIRMINGHAM, AL 35243  
**Effective Date:** 05/19/2012  
**Description:** STERNE AGEE & LEACH, THE APPLICANT'S CLEARING FIRM MAINTAINS SUCH BACK OFFICE RECORDS AS REQUIRED OF CLEARING FIRMS FOR THE APPLICANT.

**This firm does have accounts, funds, or securities maintained by a third party.**

**Name:** STERNE, AGEE & LEACH, INC.  
**CRD #:** 791  
**Business Address:** 2 PERIMETER PARK SOUTH, STE 100W  
BIRMINGHAM, AL 35243  
**Effective Date:** 05/19/2012  
**Description:** CLEARING DEPOSIT, APPLICANT'S PROPRIETARY OR INVENTORY POSITIONS, IF ANY, AND COMMISSIONS DUE TO APPLICANT ARE HELD ON BEHALF OF APPLICANT BY STERNE AGEE & LEACH UNDER THE CLEARING AGREEMENT UNTIL PAYMENT TO APPLICANT.

**This firm does have customer accounts, funds, or securities maintained by a third party.**

**Name:** STERNE, AGEE & LEACH, INC.  
**CRD #:** 791  
**Business Address:** 2 PERIMETER PARK SOUTH, STE 100W  
BIRMINGHAM, AL 35243  
**Effective Date:** 05/19/2012  
**Description:** CUSTOMER ACCOUNTS, FUNDS AND SECURITIES ARE HELD BY STERNE AGEE & LEACH UNDER THE FULLY DISCLOSED CLEARING AGREEMENT WITH APPLICANT.

### Control Persons/Financing

**This firm does not have individuals who control its management or policies through agreement.**

**This firm does not have individuals who wholly or partly finance the firm's business.**

[www.finra.org/brokercheck](http://www.finra.org/brokercheck)

**Firm Operations**

**Industry Arrangements (continued)**

User Guidance



## **Firm Operations**



### **Organization Affiliates**

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

**This firm is not, directly or indirectly:**

- in control of
  - controlled by
  - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

**This firm is not directly or indirectly, controlled by the following:**

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank

## Disclosure Events



All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	<b>Pending</b>	<b>Final</b>	<b>On Appeal</b>
Regulatory Event	0	4	0
Judgment/Lien	1	N/A	N/A



## Disclosure Event Details

### What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - o A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - o Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
  - o A disclosure event may have a status of *pending, on appeal, or final*.
    - A "pending" event involves allegations that have not been proven or formally adjudicated.
    - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - A "final" event has been concluded and its resolution is not subject to change.
  - o A final event generally has a disposition of *adjudicated, settled or otherwise resolved*.
    - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

### Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

#### Disclosure 1 of 4

Reporting Source: Regulator

Current Status: Final



**Allegations:** RESPONDENT FILED LATE 2015 AUDITED FINANCIAL STATEMENTS.  
**Initiated By:** NEW HAMPSHIRE  
BUREAU OF SECURITIES REGULATION  
**Date Initiated:** 09/16/2016  
**Docket/Case Number:** INV2016-00016  
**URL for Regulatory Action:**  
**Principal Product Type:** Other  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Suspension  
**Other Sanction(s)/Relief Sought:** FINE  
**Resolution:** Order  
**Resolution Date:** 11/28/2016  
**Sanctions Ordered:** Monetary/Fine \$5,000.00  
Suspension  
**Other Sanctions Ordered:** NA  
**Sanction Details:** SAME AS ABOVE.  
**Regulator Statement** SAME AS ABOVE.

**Disclosure 2 of 4**

**Reporting Source:** Regulator  
**Current Status:** Final  
**Allegations:** RESPONDENT BLACKBOOK CAPITAL, LLC FAILED TO PAY FEES OF \$53,908.45 DUE TO FINRA.  
**Initiated By:** FINRA  
**Date Initiated:** 07/01/2016  
**Docket/Case Number:** N/A  
**Principal Product Type:** No Product  
**Other Product Type(s):**  
**Principal Sanction(s)/Relief Sought:** Other





**Other Sanction(s)/Relief Sought:** CANCELLATION

**Resolution:** Other

**Resolution Date:** 07/22/2016

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:**

**Other Sanctions Ordered:** CANCELLATION

**Sanction Details:** PURSUANT TO FINRA RULE 9553, BLACKBOOK CAPITAL'S MEMBERSHIP WITH FINRA IS CANCELED AS OF JULY 22, 2016 FOR FAILURE TO PAY OUTSTANDING FEES.

**Disclosure 3 of 4**

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** RESPONDENT BLACKBOOK CAPITAL, LLC FAILED TO PAY FINES AND/OR COSTS OF \$50,000 IN FINRA CASE #2011025700901.

**Initiated By:** FINRA

**Date Initiated:** 06/28/2016

**Docket/Case Number:** 2011025700901

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Expulsion

**Other Sanction(s)/Relief Sought:**

**Resolution:** Other

**Resolution Date:** 06/28/2016



**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Revocation/Expulsion/Denial

**Other Sanctions Ordered:**

**Sanction Details:** PURSUANT TO FINRA RULE 8320, RESPONDENT BLACKBOOK CAPITAL, LLC IS EXPELLED FROM FINRA MEMBERSHIP AS OF THE CLOSE OF BUSINESS ON JUNE 28, 2016 FOR FAILURE TO PAY FINES AND/OR COSTS.

**Disclosure 4 of 4** [View all disclosures for this report](#)

**Reporting Source:** Regulator

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT CHARGED ITS CUSTOMERS \$60.50 ON SEPARATE PURCHASE OR SALE TRANSACTIONS IN ADDITION TO OR IN PLACE OF A DESIGNATED COMMISSION CHARGE. THE FINDINGS STATED THAT THE FIRM CHARACTERIZED THE CHARGE ON CUSTOMER TRADE CONFIRMATIONS AS "MISCELLANEOUS" AND/OR AS AN "ADDITIONAL FEE." A SUBSTANTIAL PORTION OF THE \$60.50 CHARGE WAS NOT ATTRIBUTABLE TO ANY SPECIFIC COST OR EXPENSE INCURRED BY THE FIRM OR SERVICE PERFORMED BY THE FIRM IN EXECUTING EACH TRANSACTION OR DETERMINED BY ANY FORMULA APPLICABLE TO ALL CUSTOMERS. A SUBSTANTIAL PORTION OF THE CHARGE REPRESENTED A SOURCE OF ADDITIONAL TRANSACTION BASED REMUNERATION OR REVENUE TO THE FIRM, AND WAS EFFECTIVELY A MINIMUM COMMISSION CHARGE. BY DESIGNATING THE CHARGE ON TRADE CONFIRMATIONS AS "MISCELLANEOUS" AND/OR AS AN "ADDITIONAL FEE" IN ADDITION TO OR IN PLACE OF A DESIGNATED COMMISSION CHARGE, THE FIRM MISCHARACTERIZED AND UNDERSTATED THE AMOUNT OF THE TOTAL COMMISSIONS CHARGED BY THE FIRM. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO CHECK THE NAMES OF PERSONS AND ENTITIES ON THE FINANCIAL CRIMES ENFORCEMENT NETWORK'S (FINCEN) LISTS AGAINST THE FIRM'S CUSTOMER BASE AND THOSE WITH WHOM THE FIRM ENGAGED IN ANY TRANSACTION. THE FIRM'S ANTI-MONEY LAUNDERING (AML) TEST FOR CALENDAR YEAR 2010 WAS NOT INDEPENDENT AND WAS INADEQUATE. THE FIRM'S BOOKKEEPER PERFORMED THE TEST AND HE WAS NOT QUALIFIED TO PERFORM THE TEST AS HE DID NOT HAVE A



WORKING KNOWLEDGE OF THE APPLICABLE REQUIREMENTS UNDER THE BANK SECRECY ACT AND ITS IMPLEMENTING REGULATIONS. THE AML TEST WAS NOT INDEPENDENT BECAUSE THE BOOKKEEPER REPORTED DIRECTLY TO THE FIRM'S AML COMPLIANCE OFFICER AND TOOK INSTRUCTION FROM THE COMPLIANCE OFFICER IN HOW TO PERFORM THE AML TEST AND WHICH DOCUMENTS TO REVIEW. THE TEST WAS NOT ADEQUATE AS THE BOOKKEEPER FAILED TO ACTUALLY TEST THE ADEQUACY OF THE FIRM'S AML COMPLIANCE SYSTEMS AND INSTEAD RELIED ON WHAT HE WAS TOLD BY THE AML COMPLIANCE OFFICER. THE FINDINGS ALSO INCLUDED THAT FAILED TO PRESERVE HUNDREDS OF BUSINESS-RELATED EMAILS, PRINCIPALLY INTERNAL EMAILS, IN A NON-REWRITEABLE, NON-ERASABLE FORMAT WHEN PERSONNEL USED PERSONAL EMAIL ADDRESSES OUTSIDE OF THE FIRM'S EMAIL DOMAIN TO SEND OR RECEIVE BUSINESS-RELATED EMAILS. THE FIRM'S COMPLIANCE OFFICER TYPICALLY KEPT COPIES OF THOSE EMAILS IN FOLDERS ON HIS PERSONAL EMAIL ACCOUNT PLATFORM, WHICH EMAILS COULD HAVE BEEN ERASED OR ALTERED.

**Initiated By:** FINRA

**Date Initiated:** 05/05/2014

**Docket/Case Number:** 2011025700901

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 05/05/2014

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$50,000.00

**Other Sanctions Ordered:** REQUIRED TO COMPLY WITH UNDERTAKINGS AND REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES



**Sanction Details:** SEE ABOVE

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**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT CHARGED ITS CUSTOMERS \$60.50 ON SEPARATE PURCHASE OR SALE TRANSACTIONS IN ADDITION TO OR IN PLACE OF A DESIGNATED COMMISSION CHARGE. THE FINDINGS STATED THAT THE FIRM CHARACTERIZED THE CHARGE ON CUSTOMER TRADE CONFIRMATIONS AS "MISCELLANEOUS" AND/OR AS AN "ADDITIONAL FEE." A SUBSTANTIAL PORTION OF THE \$60.50 CHARGE WAS NOT ATTRIBUTABLE TO ANY SPECIFIC COST OR EXPENSE INCURRED BY THE FIRM OR SERVICE PERFORMED BY THE FIRM IN EXECUTING EACH TRANSACTION OR DETERMINED BY ANY FORMULA APPLICABLE TO ALL CUSTOMERS. A SUBSTANTIAL PORTION OF THE CHARGE REPRESENTED A SOURCE OF ADDITIONAL TRANSACTION BASED REMUNERATION OR REVENUE TO THE FIRM, AND WAS EFFECTIVELY A MINIMUM COMMISSION CHARGE. BY DESIGNATING THE CHARGE ON TRADE CONFIRMATIONS AS "MISCELLANEOUS" AND/OR AS AN "ADDITIONAL FEE" IN ADDITION TO OR IN PLACE OF A DESIGNATED COMMISSION CHARGE, THE FIRM MISCHARACTERIZED AND UNDERSTATED THE AMOUNT OF THE TOTAL COMMISSIONS CHARGED BY THE FIRM. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO CHECK THE NAMES OF PERSONS AND ENTITIES ON THE FINANCIAL CRIMES ENFORCEMENT NETWORK'S (FINCEN) LISTS AGAINST THE FIRM'S CUSTOMER BASE AND THOSE WITH WHOM THE FIRM ENGAGED IN ANY TRANSACTION. THE FIRM'S ANTI-MONEY LAUNDERING (AML) TEST FOR CALENDAR YEAR 2010 WAS NOT INDEPENDENT AND WAS INADEQUATE. THE FIRM'S BOOKKEEPER PERFORMED THE TEST AND HE WAS NOT QUALIFIED TO PERFORM THE TEST AS HE DID NOT HAVE A WORKING KNOWLEDGE OF THE APPLICABLE REQUIREMENTS UNDER THE BANK SECRECY ACT AND ITS IMPLEMENTING REGULATIONS. THE AML TEST WAS NOT INDEPENDENT BECAUSE THE BOOKKEEPER REPORTED DIRECTLY TO THE FIRM'S AML COMPLIANCE OFFICER AND TOOK INSTRUCTION FROM THE COMPLIANCE OFFICER IN HOW TO PERFORM THE AML TEST AND WHICH DOCUMENTS TO REVIEW. THE TEST WAS NOT ADEQUATE AS THE BOOKKEEPER FAILED TO ACTUALLY TEST THE ADEQUACY OF THE FIRM'S AML COMPLIANCE SYSTEMS AND INSTEAD RELIED ON WHAT HE WAS TOLD BY THE AML COMPLIANCE OFFICER. THE FINDINGS ALSO INCLUDED THAT FAILED TO PRESERVE HUNDREDS OF BUSINESS-RELATED EMAILS, PRINCIPALLY INTERNAL EMAILS, IN A NON-REWRITEABLE, NON-ERASABLE FORMAT WHEN PERSONNEL USED PERSONAL EMAIL ADDRESSES OUTSIDE OF THE FIRM'S EMAIL DOMAIN TO



SEND OR RECEIVE BUSINESS-RELATED EMAILS. THE FIRM'S COMPLIANCE OFFICER TYPICALLY KEPT COPIES OF THOSE EMAILS IN FOLDERS ON HIS PERSONAL EMAIL ACCOUNT PLATFORM, WHICH EMAILS COULD HAVE BEEN ERASED OR ALTERED.

**Initiated By:** FINRA

**Date Initiated:** 05/05/2014

**Docket/Case Number:** 2011025700901

**Principal Product Type:** No Product

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 05/05/2014

**Sanctions Ordered:** Monetary/Fine \$50,000.00

**Other Sanctions Ordered:** REQUIRED TO COMPLY WITH UNDERTAKINGS AND REVISE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES.

**Sanction Details:** SEE ABOVE



### Judgment / Lien

This type of disclosure event involves an unsatisfied and outstanding judgment or lien against the brokerage firm.

Disclosure 1 of 1

<b>Reporting Source:</b>	Firm
<b>Judgment/Lien Holder:</b>	INTERNAL REVENUE SERVICE
<b>Judgment/Lien Type:</b>	Tax
<b>Judgment/Lien Amount:</b>	\$12,158.63
<b>Date Filed:</b>	12/14/2015
<b>Court Details:</b>	

**End of Report**

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