

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
(Appeal from FINRA NAC)

IN THE MATTER OF THE
CONTINUED ASSOCIATION
OF ROBERT ESCOBIO WITH
SOUTHERN TRUST SECURITIES, INC.

FINRA Disqualification Proceeding
SD-2130

3-18143



NOTICE OF APPEAL

Robert J. Escobio files this application to review FINRA's National Adjudicatory Council's Decision dated July 27, 2017 ("NAC Decision"). The NAC Decision barred him from continuing his association with Southern Trust Securities, Inc., ("STS"), because he was "statutorily disqualified" solely based on a CFTC Judgment dated August 29, 2016, presently on appeal to the U. S. 11th Circuit Court of Appeals and scheduled September 28, 2017 for Oral Argument. The basis for this appeal is:

1. The statutory disqualification is premature because the CFTC judgment is on appeal, and not final. Barring Mr. Escobio's association, during the appeal, denies him the benefit of his appeal, due process, creates irreparable harm to Mr. Escobio, his long-term securities customers and STS, all of which is clearly unwarranted due to the undisputed lack of any existing or potential threat to the public or any securities violations;

2. The erroneous conclusion that Mr. Escobio creates an unreasonable risk of harm to the securities market or investors despite the undisputed evidence that over the past 4 years he fully complied with the NFA settlement of the identical claims on which CFTC now based its case, and innumerable FINRA reviews, audits and inspections of STS and Mr. Escobio's securities-related activities found no securities or compliance violations;

3. The erroneous, arbitrary, capricious and sexist conclusion that Mr. Escobio cannot be properly supervised by his wife, Susan Escobio, the President and long-standing CCO of STS, despite the undisputed evidence establishing compliance and no intervening violations by Mr. Escobio or STS over the past years;

4. The erroneous conclusion that STS is incapable of supervising a statutorily disqualified person, despite the undisputed evidence that FINRA found no supervisory or other violations over the years, including the years while Mr. Escobio was employed and while Susan Escobio had supervised Sandro Flores, a statutorily disqualified person;

5. The erroneous conclusion that Susan Escobio, despite her 38-year spotless record and her having been the CCO of STS and other firms for years, lacked the supervisory experience or independence necessary to supervise Mr. Escobio;

6. The erroneous conclusion that the proposed heightened supervisory plan is inadequate, despite no compliance or supervisory violations, FINRA's lack of guidance and FINRA having not reviewed the later October 1, 2016 plan discussed at the hearing;

7. The erroneous conclusion that Mr. Escobio caused the losses claimed by CFTC in its case, despite the undisputed evidence the NFA caused the losses by forcing immediate liquidation of clients' metals holdings while the market was down, and NFA's confirmation every penny invested by the clients was accounted for and the clients' testimony that they had full knowledge and agreed to the purchases and charges for the metals purchased, did not know who Mr. Escobio was and never spoke to him;

8. The erroneous conclusion that Mr. Escobio, due to the CFTC matter, which involved no securities, should be barred from the securities industry despite the specific findings that the injunction only applied to commodities matters;

9. The sanction barring the association is grossly excessive. Mr. Escobio settled claims for the identical matters on which CFTC brought its claim with NFA for \$50,000 and agreed to not act as principal in STS for three years, which period expired in April, 2017. Evidence shows that CFTC colluded with NFA during the settlement, secretly intending to deprive Mr. Escobio of any consideration for the NFA settlement; and

10. FINRA ignored and refused to address contradictory evidence introduced and proffered, and exhibited a bias against Hispanics and Hispanic firms in the region.

Attorneys for Applicant, ROBERT J. ESCOBIO,
BEASLEY, DEMOS & BROWN, LLC
201 Alhambra Circle, Suite 601
Coral Gables, FL 33134
Tel.: 305-669-3131, Fax: 786-615-8945

By: 

JOSEPH W. BEASLEY
Florida Bar No. 172074
jbeasley@beasleydemos.com
jmanley@beasleydemos.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following parties this 22nd day of August, 2017:

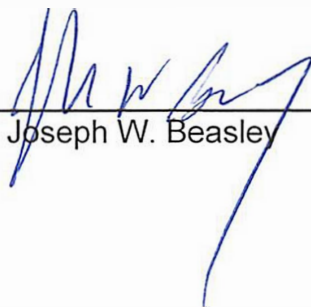
VIA E-MAIL & FEDEX:

Ann-Marie Mason, Esq.
Deon McNeil-Lambkin, Esq.
Lorraine Lee-Stepney
FINRA Non-Disciplinary Litigation
1735 K Street, NW, 6th Floor
Washington, DC 20006
Fax: 202-728-8264
Ann-Marie.Mason@finra.org
Deon.McNeil-Lambkin@finra.org
Lorraine.Lee-Stepne@finra.org

VIA E-MAIL & FEDEX:

Andrew J. Love, Esq.
Associate General Counsel
FINRA
Office of General Counsel
1735 K Street, N.W.
Washington, DC 20006
Tel.: 202-728-8281, Fax: 202-728-8264
Andrew.love@finra.org
nac.casefilings@finra.org

By: _____


Joseph W. Beasley

BEASLEY, DEMOS & BROWN LLC

E-mail address:
JBeasley@BeasleyDemos.com

201 Alhambra Circle, Suite 601, Coral Gables, FL 33134
Tel: 305-669-3131, Fax: 305-615-8945

JOSEPH W. BEASLEY

www.beasleydemos.com



August 23, 2017

VIA FEDERAL EXPRESS

Office of the Secretary
United States Securities and Exchange Commission
100 F. Street, N.E.,
Mail Stop 1090-Room 10915
Washington, D.C. 20549
Attention: Brent J. Fields

**Re: Notice of Appeal of FINRA NAC's SD-2130 Decision
In the Matter of the Continued Association of
Robert J. Escobio (CRD #703813) with
Southern Trust Securities, Inc., (BD#103781)**

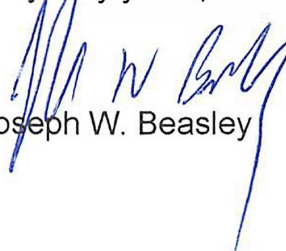
3-18143

Dear Secretary:

Enclosed for filing are the following:

1. Notice of Appeal to the SEC (FINRA National Adjudicatory Council's SD-2130 Decision in the Matter of the Association of Robert J. Escobio with Southern Trust Securities), and
2. Notice of Appearance of Counsel, Joseph W. Beasley, Esq. for the Applicant, Appellant Robert J. Escobio.

Very truly yours,



Joseph W. Beasley

JWB/jm

Enclosures

cc: Andrew J. Love, Esq.
Office of General Counsel
FINRA
1735 K. Street, N.W.
Washington, D.C. 20006

Office of the Secretary
Securities and Exchange Commission
August 23, 2017
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VIA E-MAIL and Federal Express:

Ann-Marie Mason, Esq.
Deon McNeil-Lambkin, Esq.
Lorraine Lee-Stepney
FINRA Non-Disciplinary Litigation
1735 K Street, NW, 6th Floor
Washington, DC 20006
Ann-Marie.Mason@finra.org
Deon.McNeil-Lambkin@finra.org
Lorraine.Lee@finra.org