UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

In the Matter of the Application of	:	
	:	Administrative Proceeding
Wilfredo Felix	:	Case No. 2018058286901
	:	
For Review of Disciplinary Action Taken by FINRA	:	
	:	

WILFREDO FELIX'S BRIEF IN SUPPORT OF APPLICATION FOR MODIFICATION OR REVERSAL OF THE DECISION BY THE NATIONAL ADJUDICATORY COUNCIL

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Securities and Exchange
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DEPARTMENT OF ENFORCEMENT,
Complainant,
v.
WILFREDO FELIX
(CRD No. 2693672)

OS Received 09/02/2021

Wil Felix reserves the right to amend or supplement to this answer as well have an attorney amend or supplement to this brief as well.

Wilfredo Felix ("Felix") hereby submits this brief in support of his application for modification or reversal of the decision by the National Adjudicatory Council ("NAC") of the Financial Industry Regulatory Authority ("FINRA") dated May 26, 2021 (the "NAC Decision") on the following grounds: (1) the NAC erred in upholding the FINRA Office of Hearing Officer's ("OHO") Panel's finding that the statute of limitations in 28 U.S.C. § 2462 does not apply, and further, that Felix was not unfairly prejudiced by FINRA's seven-and-a-half year delay in bringing the proceeding against him; (2) the sanction against Felix of a permanent bar is unwarranted, excessive in light of the OHO Panel's findings, not supported by the evidence provided at the Hearing, and punitive in violation of General Principle No. 1 of the FINRA Sanction Guidelines; and (3) the NAC erred in upholding the OHO Panel's finding that Felix violated Rule 8210 as 8210 does not support compelling an individual to sign documentation (4) In violation of the rules the NAC did not consider all arguments for appeal as admitted by the panel they did not review the fact that the OHO erred in its rendering of decision of misclassifying expenses. (5) the NAC erred in upholding the OHO Panel's finding that Felix violated Rule 8210 as 8210 does not support this type of request for information. (6) Both the OHO and NAC erred, and the bar should be dismissed / overturned

THE PANEL ERRED IN NOT APPLYING THE FIVE-YEAR STATUTE OF LIMITATIONS APPLICABLE TO SEC ENFORCEMENT ACTIONS TO THIS FINRA ENFORCEMENT ACTION WHERE FELIX WAS UNFAIRLY PREJUDICED BY FINRA'S FILING DELAY.

The United States Supreme Court unanimously ruled that the Securities and Exchange Commission ("SEC") enforcement actions are bound by the five-year statute of limitations set forth in 28 U.S.C. § 2462. It is irrefutable that FINRA directly derives its powers from the SEC, and that it is subject to its oversight. So, it logically follows that the five-year statute of limitations should be equally applicable to enforcement actions asserted by FINRA, as it is to those asserted by the SEC. Thus, the NAC erred in upholding the OHO Panel's finding that the five-year statute of limitations in 28 U.S.C. § 2462 does not apply to the instant enforcement action against Felix. This is further detailed below, as well as the unfair prejudice Felix (I)has suffered as a direct result of FINRA's unreasonable seven-and-a-half-year delay in asserting its enforcement action.

A Five-Year Statute of Limitations is Applicable Here
It is well-established that the five-year statute of limitations contained in 28 U.S.C. § 2462 applies to SEC enforcement actions. That statute states:

> Except as otherwise provided by Act of Congress, an action, suit or proceeding for the enforcement of any civil fine, penalty, or forfeiture, pecuniary or otherwise, shall not be entertained within five years from the date the claim first accrued, if, within the same period, the offender or the property is found within the United States in order that proper service may be made thereon.[1]

The Supreme Court unanimously held in Kokesh that this five-year statute of limitation applies when the SEC seeks monetary civil penalties."[2] Other federal courts have held that the statute applies when the SEC commences civil enforcement actions seeking other forms of relief, including disgorgement, censures, and suspensions.[3] It is important to note that this statute does not mention the SEC, nor any other regulatory entity.

Similar to the SEC, FINRA is a regulatory entity which seeks to maintain the integrity of the securities markets and protect the investing public. "FINRA also has enforcement powers. It operates as a "'quasi-governmental agency' authorized 'to adjudicate actions against members who are accused of illegal securities practices and to sanction members found to have violated the Exchange Act or ... [SEC] regulations issued pursuant thereto.'" "[4] "As a self-regulatory organization registered under the Securities Exchange Act of 193[4], FINRA 'supervises the conduct of its members under the general aegis of the SEC.' ...Thus, while FINRA is a private party, Congress granted FINRA 'quasi-governmental power[ ]' to act in a regulatory capacity."[5]

FINRA's authority to bring actions against its broker-dealer members, and their associated persons such as Felix, is directly derived from the SEC. "The Securities Exchange Act of 1934 ('Exchange Act') authorizes the Securities and Exchange Commission ('SEC') to register self-regulatory organizations ('SROs'). Pursuant to that authority, the SEC registered FINRA, a nonprofit membership corporation comprised of financial brokers and dealers."[6] "All rules promulgated by FINRA must be approved by the SEC and must be consistent with the Exchange Act. The SEC also has power to amend any existing FINRA rule to ensure that it comports with the purposes and requirements of the Exchange Act."[7] A further example of the SEC's oversight of FINRA is that FINRA disciplinary decisions are appealable to the SEC first, and then to the United States Courts of Appeal.
Logic and fairness dictate that the same five-year statute of limitations should apply to FINRA enforcement actions as apply to those of the SEC. Under this same principle, FINRA should not have an unrestrained ability to discipline its members for actions that occurred beyond a reasonable time frame, beyond which the SEC itself cannot seek penalties. This is especially so where the sanction imposed is the most punitive of all, such as Felix's permanent bar at issue here.[8] The constraints placed on the SEC by the law, should be similarly applicable to a self regulator agency that derives its regulatory authority from the very agency whose actions are constrained by the statute of limitations. To hold otherwise would result in inconsistent results and gross unfairness.

B. Felix Has Suffered Unfair Prejudice as a Direct Result of FINRA's Delay in Bringing the Instant Enforcement Action

FINRA did not assert its enforcement action against Felix until six and a half years after the alleged violative conduct – which is well after the longest record retention period applicable to brokerage firms. FINRA first learned of the potential misconduct in 2012 Despite this knowledge, FINRA did not file the Complaint until late June 2019 – more than two years after he arguably applicable statute of limitations articulated in 28 U.S.C. § 2462. The fact that the vast majority of statutes of limitation are five years or less is, in part, an acknowledgement

that documents disappear and memories fade with the passage of time. That is what precisely what has happened here, and why Felix has been unfairly prejudiced in his defense.
"[T]he SEC relie[s] on the Exchange Act's "fairness" language in resolving whether an SRO's undue delay in bringing a case requires dismissal. Fairness is an equitable principle requiring consideration of the facts and circumstances of each particular case. The SEC indicated that four periods should be reviewed as part of a fairness analysis dealing with timing issues: the elapsed time between (1) the first alleged occurrence of misconduct and the date that the SRO filed the complaint; (2) the last alleged occurrence of misconduct and the date that the SRO filed the complaint; (3) the date that the SRO received notice of the alleged misconduct and the date that it filed the complaint; and (4) the date that the SRO commenced its investigation and the date that it filed the complaint."[9] This factor is important because SROs, including FINRA, are liberally able investigate, i.e., to engage in discovery, before they file an enforcement complaint against the alleged wrongdoer.[10] In the instant matter, FINRA enjoyed the distinct "head start" benefit of being able to marshal documents and testimony for years before the allegations were made known to Felix, and thus years before he could begin to marshal the evidence critical to his defense.

The foregoing four-pronged test is not a mechanical one; adjudicators must also look to traditional equitable concepts for guidance. The notion of fundamental fairness requires that a respondent be able to mount an adequate defense; here, Felix was undoubtedly harmed by FINRA's unusually long delay in bringing this proceeding. As he testified multiple times at the hearing, he simply could not remember events that occurred so many years ago, which unavoidably cast doubt on his truthfulness and caused him actual prejudice in defending himself against this charge.
In addition, Felix was unable to refresh his recollection with documents that likely would have been available if FINRA had filed its enforcement complaint within five years. It is important to note that the longest record retention requirement applicable to a brokerage firm is six years.[11] In addition, SEC Rule17a-3(a)(18) requiring broker/dealers to retain customer complaints, only requires that a firm maintain such records for a period of three years, with the first two years in an readily accessible place.[12] It is inherently unfair for Felix to have to defend formal charges with respect to matters that occurred far beyond the time period that even FINRA and the SEC feel records should reasonably be retained. FINRA should not be permitted to make such inconsistent and arbitrary determinations, especially when the consequences are as severe as a permanent bar. It cannot credibly be denied that Felix was severely prejudiced by FINRA's seven-and a- half-year delay in filing its enforcement action. For these and other reasons of basic fairness, formal charges should not have stood after the passage of more than five years after the alleged wrongful conduct, as is consistent with 28 U.S.C. § 2462.

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[1] 28 U.S.C. § 2462.
[2] Kokesh v. S.E.C., 137 S. Ct. 1635, 1638, 198 L. Ed. 2d 86 (2017) (internal citations omitted).
[3] See, e.g., Id.; Johnson v. S.E.C., 87 F.3d 484 (D.C. Cir. 1996) (SEC proceeding resulting in a censure and a sixmonth
disciplinary suspension of a securities industry supervisor was subject to the five-year statute of limitations period of Section 2462)
[4] Scottsdale Capital Advisors Corp. v. Fin. Indus. Regulatory Auth., 390 F. Supp. 3d 72, 75–76 (D.D.C. 2019) (internal
citations omitted) (appeal pending).

[5] Hurry v. Fin. Indus. Regulatory Auth. Inc., No. CV-14-02490-PHX-ROS, 2015 WL 11118114, at *4–5 (D. Ariz. Aug. 5, 2015), aff'd, 782 F. App'x 600 (9th Cir. 2019) (internal citations omitted); see also National Ass'n of Securities
Dealers v. Securities and Exch. Comm'n, 431 F.3d 803, 804 (D.C.Cir.2005) (internal citations omitted) ("By virtue of
its statutory authority, NASD wears two institutional hats: it serves as a professional association, promoting the interests of its members and it serves as a quasi-governmental agency, with express statutory authority to adjudicate actions against members who are accused of illegal securities practices and to sanction members found to have violated
the Exchange Act or Securities and Exchange Commission regulations issued pursuant thereto."); Standard Inv. Chartered, Inc. v. Nat'l Ass'n of Sec. Dealers, Inc., 637 F.3d 112, 116–17 (2d Cir. 2011) (holding that FINRA had absolute immunity because, "The statutory and regulatory framework highlights to us the extent to which an SRO's bylaws are intimately intertwined with the regulatory powers delegated to SROs by the SEC and underscore our conviction that immunity attaches to the proxy solicitation here.").
[6] Scottsdale Capital Advisors Corp. v. Fin. Indus. Regulatory Auth., 390 F. Supp. 3d 72, 75–76 (D.D.C. 2019) (internal
citations omitted) (appeal pending).
[7] Id. (internal citations omitted).

[8] Kokesh v. S.E.C., 137 S. Ct. 1635, 198 L. Ed. 2d 86 (2017); In the Matter of the Application of John M.E. Saad for Review of Disciplinary Action Taken by Finra, Release No. 86751 (Aug. 23, 2019).

[9] IN THE MATTER OF DEPARTMENT OF ENFORCEMENT, COMPLAINANT MORGAN STANLEY DW INC. ET AL., RESPONDENTS, 2002 WL 1840813, at *11.
[10] FINRA Rule 8210 states: (a) Authority of Adjudicator and FINRA Staff. For the purpose of an investigation, complaint, examination, or proceeding authorized by the FINRA By-Laws or rules, an Adjudicator or FINRA staff shall have the right to:
(1) require a member, person associated with a member, or any other person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically (if the requested information is, or is required to be, maintained in electronic form) and to testify at a location specified by FINRA staff, under oath or affirmation administered by a court reporter or a notary public if requested, with respect to any matter involved in the investigation,
complaint, examination, or proceeding; and
(2) inspect and copy the books, records, and accounts of such member or person with respect to any matter involved in the investigation, complaint, examination, or proceeding that is in such member's or person's possession, custody or control.
[11] See SEC Rule 17a-3; see also FINRA Rule 4511(b).
[12] See SEC Rule 17a-4(b)(1).

I would like to begin by saying, I must apologize for not using legal jargon or making this sound like a lawyer as I am not one. But I will make an appeal to your common sense which is certainly lacking in today's society and as a rule of law.

I am tired of FINRA trying to dictate a narrative that in essence is an attack on my reputation. As well is just a complete and utter lie. FINRA took the truth and the record and wrestled with it to turn it into a false narrative. I would like to start by say hearing panel erroneously found that I misclassified the expenses of my firm. Furthermore, the NAC Panel goes a step further and stretches the truth by substituting the words of "misclassification" and substitutes it with "falsification". These are two different things which are not even in comparison. This is a disgusting attempt to sway the rule of law.

Misclassification means to assign (someone or something) to an incorrect group or category: to classify wrongly. Falsification means the action of changing something, such as a document, in order to deceive people. This to which I have done nothing of the sort. THE RECORD NEEDS TO BE SET STRAIGHT

BOTH APPLICATION ON FAIRNESS, APPEAL SUBMITTED , AND NOT CONSIDERED

I Also would like to start by saying the hearing panel erroneously found that I misclassified. I have lodged a Complaint on fairness grounds because of Enforcement's delay in bringing those claims had adversely affected my ability to present a full and fair defense on the merits, such that I have suffered actual prejudice. In the specific context of this action, the First and Second Causes of Action are inherently unfair and must be dismissed. I stated this in my appeal to the NAC and erroneously this factor was not even considered. I believe that since I did not appeal on the behalf of Primex they made the assumption that I was not appealing on that basis on my behalf. However , it clearly completely states this in the NAC appeal. Stating "whether Respondents properly classified Felix's expenses to ensure that Primex's books and records correctly recorded his compensation and what amount of compensation,…" This process by the NACs panels own admission was not considered. The NAC stated that "We briefly discuss Felix's liability for misclassifying expenses to provide a foundation for considering whether to modify the Hearing Panel's sanctions." The did not take the time to find out if the hearing panel was correct in rendering its initial decision. For this point alone the decision was deficient, and is the definition of prejudice (Prejudging; preconceived opinion that is not based on reason or actual experience; harm or injury that results or may result from some action or judgment.) and should be thrown out as the panel did not **exercise its duty** to consider **all** the factors prior to rendering a decision. This shows a high probability of prejudice by the panel.

SRO hearing panels have dismissed complaints at the summary disposition stage where "Enforcement's delay in filing the complaint exceeded the bounds of fairness that the Exchange Act requires. Further, SEC decisions in disciplinary actions "recognize that after a certain period of time it is unfair to require respondents to attempt to piece together defenses to old claims. As the SEC recognized with the passage of time, memories fade, witnesses become unavailable and documents are lost or destroyed. That is the issue here. This is a books and records case which concerns "more than one thousand" expenses recorded on the Primex general ledger dating back to January 2013, and a dispute as to whether those expenses were for "business" or "personal" purposes. However, the record retention periods for books and records which might otherwise be probative of the issues in dispute expired long before Enforcement filed the Complaint. Due to Enforcement's delay in bringing this case – nearly five and a half years after commencing its investigation, and six and a half years after the first alleged violation– probative evidence has been lost, destroyed or otherwise disposed of, and Enforcement did not otherwise obtain or secure that evidence during its investigation. Further, "memories fade," and it is inherently unfair to require a witness (in this case, Mr. Felix, me, the only witness with firsthand knowledge of the matters described in the Complaint) to recall specific expenses on the Primex general ledger which date back over eight years ago – particularly when records which might otherwise refresh his recollection were no longer available. As I am sure anyone reading this

today cannot recall what you wore on the 27th of July 2021 which was just only a month ago or what you ate for lunch two weeks ago on a Wednesday and how much you paid for it and the time you actually ate it.

The fact of the matter is the expenses were discussed with the accountant and myself and the firm was instructed on how they were to be expensed on the books and records of the firm. I received guidance from the accountant on how to book these events. They were discussed and this factor was stated on the record on 4 different OTRs with FINRA. Throughout the course of FINRAs multiple OTRs the story has never changed. There was no falsification of the record and based on the guidance given by a certified public accountant no misclassification took place either. I took it as gospel. Which is how the industry of self-regulation is supposed to work. When you are given guidance, you are to utilize that guidance and upon notice that that guidance has changed so should you make the adjustments to the new guidance and take a look back and change it. This is what happened. This is the truth that cannot be twisted or changed no matter what FINRA tries. It is Not as FINRA is suggesting. There was no deception involved. It was guidance given, guidance followed., guidance changed, we were told of the guidance, and we made the proper adjustments. Henceforth after 2015 there were no further adjustments of this type.

I had no intentions on hiding or defrauding anyone. This is complete utter BS. The entire process from the beginning to the end has been a farce. The original panel never even considered arguments which were based on prior SEC decisions. I have been in of this action, the First and Second Causes of Action are inherently unfair and must be dismissed.
SRO hearing panels have dismissed complaints at the summary disposition stage where "Enforcement's delay in filing the complaint exceeded the bounds of fairness that the Exchange Act requires." *Morgan Stanley*, *supra* at *10. Further, SEC decisions in disciplinary actions "recognize that after a certain period of time it is unfair to require respondents to attempt to piece together defenses to old claims." *Morgan Stanley*, *supra* at *8, *citing Hayden*, *supra*, and *In re* 2 *William D. Hirsch*, Exchange Act Rel. No. 43691, 2000 SEC LEXIS 2703 (Dec. 8, 2000). "With the passage of time, memories fade, witnesses become unavailable and documents are lost or destroyed." *Id.*

That is the issue here. This is a books and records case which concerns "more than one thousand" expenses recorded on the Primex general ledger dating back to January 2013, and a dispute as to whether those expenses were for "business" or "personal" purposes. However, the record retention periods for books and records which might otherwise be probative of the issues in dispute expired long before Enforcement filed the Complaint. Due to Enforcement's delay in bringing this case – nearly five years after commencing its investigation, and six and a half years after the first alleged violation by Respondents – probative evidence has been lost, destroyed or otherwise disposed of, and Enforcement did not otherwise obtain or secure that evidence during its investigation. Further, "memories fade," and it is inherently unfair to require a witness (in this case, I, the only witness with firsthand knowledge of the matters described in the Complaint) to recall specific expenses on the Primex general ledger which date back nearly eight years – particularly when records which might otherwise refresh my recollection are no longer available.

Also as stated above with the SECs own statue of limitations this case must be dismissed. The misclassification complaint on fairness grounds should be thrown out because Enforcement's delay in bringing those claims has adversely affected Respondents' ability to present a full and fair defense on the merits, such that I have suffered actual prejudice as the case proceeded to a hearing. In the specific context. As well when the entire record of the hearing is reviewed, FINRA mentions not one rule or instance of any statute that was violated. They proferred no citing of any rule that was violated and offered no testimony on how the categorization of expenses were in violation. They offered no testimony on tax treatment or on personal vs business expenses. Nor did FINRA discuss what authority FINRA had over the treatment of expenses. FINRA cannot determine the expenses of the firm or what vendors are FINRA authorized vendors. In fact FINRA has no authority to testify on behalf of the IRS and offered no expert testimony on the treatment of expenses.

The NAC decision is filled with regurgitated falsehoods and seems as if they did not take the time to look at the original record and just read from the brief submitted by FINRA examples of this are "CPA reclassified hundreds of Firm expenses as shareholder distributions to Felix because the Firm provided no or insufficient documentation of the business purpose of the expense in question" This is not what the CPA Michael Rubio testified.

Another false narrative "Felix responded he could not recall or determine whether many expenses were personal or business in nature. For others Felix identified a general category for the expense. This is a false narrative as Finras guidance when asked was what category the expense was placed. They twisted this truth to the original panel and it has been regurgitated on the record.

On page 7 the NAC goes even further with twisting the record by providing questionable footnote 9 . As the FOCUS reports were instructed by both the accountant and FINRA to make the correction in the Fourth quarter.

Another false narrative is "Felix admitted that some of the expenses identified by Enforcement were personal in nature and insisted that others had a business purpose. "This is a misleading statement. In the fact, that is what I always stated that there were purchases made on a personal basis and those purchases were classified at the direction of the accountant. Please refer to the OTR. When the guidance was changed as was stated on the record by the accountant that other broker dealers as well had this prior guidance, that once changed by the PCAOB he suggested we make the changes and we did. Hence for the corrections as per PCAOB guidelines. The fact is that during the process if we had a paper receipt which was either illegible or in the accountant's determination usable as per the new PCAOB industry standard. If the receipt contained items that the accountant could not recognize he listed them as personal. If it were for example a coffee machine from Macys and could be misconstrued, he made them personal even though the items were for use in my office.

The way to find the truth is usually not in the questions you ask but is found in the questions not asked. The whole problem with the hearing is it was focus just on the limited information that FINRA provided and the twisting of facts to achieve the desired outcome. Also, the fact that

FINRA limited information that was found. The leading questions that were asked in order to obtain an outcome Not the day to day entity and how my business was run. FINRA is still trying to push its conspiracy theory that my taxable income would increase. The way their brief is written is to try to persuade in a fashion as if they did not look at this information after the fact. In fact, FINRA it was already corrected and the numbers were filed with the IRS is when in fact the amounts which were reported to the IRS by Mr. Rubio which were still incorrect were still under my cost basis reported on a K-1 and is a nontaxable event. So FINRAs trying to make that point is moot. As well what I think the panel did not understand was the fact that these numbers were reported to the IRS by my accountant Mr. Rubio even before FINRA stepped foot into my office to look at this event. In other words, it was not a discovery made by FINRA or the IRS. The numbers that are being discussed in the matter were already reported to the IRS. So, there could be no way to under report income to the IRS as the income even though overstated was reported as such. So, in essence if there were taxable income on those amounts they were already reported. So, there was no grand scheme to avoid taxes and this fact kills their grand conspiracy theory. As was argued before the panel was submitted a brief that in essence the whole hearing was so there would be no relevance to rules or guidelines where no rules were sited and no guidance was placed on the record

- The hearing panel erroneously found that I falsely classified they also lied in stating "that I agreed to reclassify his 2014 and 2015 personal expenses as compensation on the Firms book and records because the auditor refused to issue audit reports…" The fact is the auditor never refused to issue audit reports he stated it would take more time to get all the receipts processed and agreed to and it would make us late. Not that he was not willing to do the work. This is written and prosed in this way to make it sound as if Primex tried to get away with something. Which was not the case. The accountant was the accountant for the firm until 2017. Had there been any adverse relationship as FINRA purported, there would have been no more business done with Mr Rubio for over two years after the event.

As per 17-A there is no requirement to keep paper copies of receipts. As per accountants and other authorities You should keep receipts for as long as a taxing authority like the IRS or your state's department of revenue can audit you. Most audits can only go back three years (from the date you file your tax return). Paper receipts were the evidence that would have shown that most evidence showing all things purchased and coupled with pictures of the items in the office would have destroyed their case. Again as per the record FINRA did not name one rule or site any section of the rule regarding what supposed violations took place.

MORE FALSE ARGUEMENTS

As per FINRAs testimony they are speaking on the behalf of the IRS. "Felix's misclassifications of personal expenses were material because they had the effect of understanding both his and the Firm's taxable income" There are so many errors with this statement in that first FINRA has no

jurisdiction over the IRS, second they have no authority to speak on the IRS' behalf and third the IRS received the information which was after the audit so they did not receive any information that maintained any misclassifications. Again, FINRA fails to understand that they are looking at this all through the eyes of the look back and in FINRAs case their look back isn't even 20/20. The order of the events are classifications were made. Mr. Rubio made suggestions on reclassifications. Due to timing and the fact that Primex did not want to be late as we were never late and didn't know at the time we had alternative means to just take the extra time. We entered the suggested reclassifications under the understanding that this was to not cause problems with FINRA or the IRS and we submitted the taxes to the IRS with the suggested classifications. At no time was the documents going to the IRS refiled. They were only filed once with the classification so there could be no way there was a material effect of understanding taxable income. Secondly, there was no concealment of compensation. This is yet another stupid conspiracy put forth by FINRA and its staff there would be no financial gain as the result again was paid out in nontaxable distributions. All of this was done at the suggestion of the accountant.

ENFORCEMENT LIED

Enforcement writes in its brief that "during the hearing, Enforcement elicited considerable fact and lay opinion testimony that Respondents' claimed business expenses did not comport with applicable accounting and tax rules about what constitutes a proper business expense." That is simply not true. Although Enforcement elicited "fact and lay opinion testimony" at the hearing, it did not present any evidence or testimony concerning "applicable accounting and tax rules." Enforcement's assertion to the contrary is a lie. There is no reference in the transcript to any "applicable accounting and tax rules."

Respectfully, Enforcement is confusing the issues – or, at the very least, conflating tax filings with broker dealer recordkeeping requirements. Reference to the Complaint will provide context. The First and Second Causes of Action concern the maintenance of the books and records of a broker dealer under SEC and FINRA rules. The legal authority cited in those causes of action – the legal authority which I am alleged to have violated – consists of Section 17(a)(1) of the

Exchange Act, Exchange Act Rules 17a-3(a)(2) and 17a-5(a)(2)(iii), and FINRA Rules 2010 and 4511.[1] By way of representative example, Exchange Act Rule 17a-3(a)(2) – which forms the basis for the Second Cause of Action – provides that every broker or dealer "must make and keep current the following books and records relating to its business: … (2) Ledgers (or other records) reflecting all assets and liabilities, income and expense and capital accounts."[2] Enforcement elicited no testimony and no evidence that Mr. Felix's expenses were "misclassified" under any of these rules, or under any other SEC or FINRA rule.[3] Nor was there any discussion (much less evidence) of what would constitute a "misclassification" under these rules.

Notwithstanding that this case, as pled, concerns alleged violations of SEC and FINRA bookkeeping rules, Enforcement now contends that I claimed business expenses did not comport with tax rules. But this is not a tax case. The concept of "ordinary and necessary expenses" – discussed repeatedly by Enforcement in its Opposition – has nothing to do with Exchange Act Rules 17a-3 or 17a-5. Rather, it pertains to whether business expenses are deductible for tax purposes.[4] The IRS has never charged myself or Primex with violating any "tax rules," and Enforcement has no jurisdiction to enforce the Internal Revenue Code or any tax rules. "Deductibility" of expenses was not even addressed at the hearing. If there is an issue with my personal expenses for tax purposes under the applicable tax rules, that is an issue for the IRS. Again, the tax conspiracy issue has already been disproven,

[1] Complaint, ¶¶ 67, 71 – 74.
[2] FINRA Rule 2010 – which forms the basis of the First Cause of Action – is simply a conduct rule which requires members and associated persons to "observe high standards of commercial honor and just and equitable principles of trade."
[3] In fact, Mr. Rubio testified that Primex's net capital was fairly stated, and that his expense reclassifications had no material effect on net capital.
[4] *See generally* https://www.irs.gov/businesses/small-businesses-self-employed/deducting-business-expenses ("To be deductible, a business expense must be both ordinary and necessary").

Enforcement is attempting to make this case something that it is not and have managed to twist the based-on factors of limited information to defend myself. The approach which was taken for example was since he purchased things at a particular vendor then all purchases at this vendor are personal.

For example, in the brief Finra mentions in its brief that fact that we had an exercise bike in the office or a punch dummy and decided that it's not a business expense. However, when Goldman Sachs builds a corporate gym of 54000 square feet it is considered a business expense rather that personal. Stating it is not the ordinary course of business. These expenses were not personal and FINRA does not get to determine how I run my business outside of securities rules. According to Taxbot these and IRS guidelines these are typically acceptable by small business. So, if Goldman Sachs want to provide a gym to its brokers FINRA cannot dictate that this is not a business expense or and I see no case of FINRA telling Goldman Sachs these purchases are personal. The whole premise of this case is a fraud in itself. Goldman Sach provides a gym for its employees. Primex provides an exercise bike, punch dummy and exercise machine all located in the office. Goldman Sachs provides a library and media room which has tons of book and movies, Primex provides a video service for its employees to watch on late nights in the office. These are all ordinary course of business items that Primex utilized. Since Goldman Sachs, Merrill Lynch are the ideal proponent of the business. It proves that these items are a business expense that both ordinary and necessary to this business. Just because we are a small broker dealer doesn't let you discriminate what is normal or ordinary course of business, they are relative. These are not items utilized in my home which would have made them personal. They were located in the office and utilized in the ordinary course of business. Goldman Sachs has a cafeteria and offers food and coffee. I went to Costco, Rite Aid and Home Depot and made purchase for the office like toilet paper and lunches for my office employees. These are all normal business items. During the FINRA hearing FINRA ordered in lunch for its employees and had cookies in the lobby. I don't believe FINRA employees were asked to put out a penny for the food or cookies. These are normal and ordinary course of business. FINRA cannot dictate what is normal or ordinary as then FINRA itself would be guilty as such and should be reported to the IRS. Nor has FINRA at any point on the record ever pointed to a rule that provided them this power. Again, the fact that I ordered items from Amazon instead of W.B. Mason doesn't dictate the difference between a business and personal expense. FINRA just as the panel made a determination based on the limited information and grouped items based on vendors. FINRA has dictated what purchases I made are personal and what are business expenses, in the first cause does not have jurisdiction over this as well, and also have made the erroneous determination that applying that since I purchased things as specific stores that they were personal in effect. Had I had an interior decorator purchase pillows from HauteLook and coffee machines from Macys and billed me on an interior designer's bill then they would have been business expense. However, since I went to purchase these items and I personally build out

the office they became personal. Again, as was pointed to in my first paragraphs of this response it is the questions that you don't ask which reveal the truth. Based on FINRA and the panels calculations when you back out all of the purchases that they determined are personal. The firm literally had no expenses for four offices that were fully furnished by me for the for the time period. Also, it would make my house very cluttered as I would have purchased all of this furniture and supplies for my home.

ENFORCEMENTS CASE WAS A FICTION

With all due respect, Enforcement's case is a fiction – an alternate version of reality that reflects a complete misunderstanding, years after the fact, about how expenses were treated at Primex between 2013 and 2015. Enforcement's misunderstanding of the relevant events, and its resulting mischaracterization of Mr. Felix's actions, yield absurd results. For example, Enforcement alleges that Mr. Felix's purchase of computers and telephones for the Primex office was "personal" in nature, that his build-out of a kitchen space at the Primex office (including a refrigerator and other appliances) was "personal," that his purchases of furniture, supplies and accessories for the Primex office were all "personal" – and that his entry of these items as business expenses on the Primex general ledger constitutes a "misclassification" of those expenses and a "willful" violation of the securities laws that should result in a permanent bar from the industry. The same is true for nearly all of the "more than one thousand" expenses which Enforcement alleges that Mr. Felix "misclassified": these were business expenses incurred by Mr. Felix for or on behalf of Primex, and about which Enforcement has no personal knowledge or information. There is simply no merit whatsoever to Enforcement's allegation that I used Primex funds to pay for hundreds of thousands of dollars of personal expenses and then willfully misclassified those expenses as business expenses of Primex.

Enforcement's case is built on a false premise. The alleged rationale for Mr. Felix's purported conduct is set forth at Paragraph 12 of the Complaint, in the very first allegation of fact in that pleading. At Paragraph 12, Enforcement alleges that "[f]rom 2013 to 2015, Felix … did not maintain any bank accounts in his name" and, "instead," he "used Primex's bank account to pay for his personal expenses…" The implication here is that because Mr. Felix did not own a bank account "in his own name," he "instead" used Primex funds to make personal purchases. That allegation is highly misleading and just plain wrong.

While it is true that Mr. Felix did not own a bank account in his own name during the relevant time period, he owns a holding company known as Advantage Trading, LLC ("Advantage Trading"), and, through Advantage Trading, a bank account at Chase Manhattan Bank. Mr. Felix used the Advantage Trading account as his personal account, for personal purchases. Thus, while Mr. Felix did not own a personal account in the name of "Wil Felix," he *did* own a personal account in the name of an alter ego, Advantage Trading, and that account was used (and still is used) for personal purchases. He also had (and has) personal credit cards, and cash.

Stripped of the purported rationale for Mr. Felix's actions, the Complaint makes little sense. Why would Mr. Felix intentionally "misclassify" and "conceal" *hundreds of thousands of dollars* of personal expenses on a general ledger that he knows is subject to regular inspection by FINRA examiners? Mr. Felix is the sole owner and shareholder of the firm. He capitalized the firm with more than few $1 million of his own money, and continued to capitalize it as the need arose. To the extent that the firm generates a profit, that profit accrues to his benefit and can be taken as distributions at his discretion. I am 100 percent owner of Primex And, as evidenced by the fact that he capitalizes the firm, he has sufficient assets with which to make "personal" purchases on his own. He is certainly aware that he operates in highly-regulated industry, that

Primex is subject to regular financial examinations, that the books and records of the firm must be audited every year. In fact, the same CPA had audited Primex for ten years prior to the relevant period for purposes of this action, without incident. Viewed in this light, the allegation that Mr. Felix would deliberately "use Primex funds to pay for hundreds of thousands of dollars of personal expenses" rings hollow.

Enforcement's allegations fail because they are simply not true. Mr. Felix did not use the Primex account as his own personal piggybank. To the extent he needed to make personal purchases, he had the Advantage Trading account, credit cards and cash. To the extent he made purchases on the Primex account, I testify that, notwithstanding the occasional inadvertent use of the wrong bank card or account (which I acknowledged multiple times to Enforcement), I reasonably believed that each such purchase had a legitimate business purpose at the time it was entered on the Primex general ledger. This is true whether the purchase was made at Macy's, Costco, Walmart, Target, Home Depot, Marshalls, Home Goods, Louis Vuitton, Sephora, Burlington Coat Factory, Toys 'R Us, Petco, IKEA, Amazon.com, Zulilly.com, TouchofModern.com, Lazzoni Furniture, Tomasella Furniture, Best Buy, Walgreens, Rite Aid, a video game store, a fur store, or clothing, shoe, or any of the other dozens of vendors which Enforcement alleges, without any factual basis, have "no business nexus whatsoever."

What FINRA has done has sprinkled a few dashes of personal purchases that were made and mixing them with other purchases to cook up a spoiled pot.

UNASKED QUESTIONS AND ASSUMPTIONS MADE

Ultimately you must ask yourself the one question that wasn't asked. If this was so egregious why did it take FINRA 7 years to bring an action. This is not a large event. The expenses and case was presented in three hearing days. The corrective action was filed in 2015. After multiple exams and viewing the records when they were available and countless exams and requests. There were no things the firm could be fined for. Why after 5 years of being out of the district and most of the receipts where gone they brought a case.

If I were trying to hide something then why would I report it. What needs to be filtered through your mind of FINRAs pollutive claim is that this was not an issue that was uncovered by FINRA rather is was something that I decided to report as such. This was not a punitive case where FINRA uncovered a massive scheme that was hidden. It was something that was discussed with my accountant and based on accounting standards changing we changed with it. There was no wide conspiracy to under report to the IRS as all items submitted to the IRS with the new numbers and not reported and then fixed. This is where FINRAs conspiracy falls apart. The IRS reporting's were not corrected. They were only submitted once and submitted by the accountant. There was no reporting then all of a sudden, a new set of reporting. So, if there were some conspiracy to underreport would that not have been uncovered and then a new filing would have had to have been made after the fact. This is just another ludicrous way that FINRA tries to twist the truth. When every entry was originally reported they were reported correctly based on guidance I had been given and the direct use at the firm. FINRA has no rule, right or claim to tell a firm what to buy and how to buy it. Hence each firm is individually owned and maintained and controlled. There is no ordinary course of what one business buys versus the next business in order to run its business. FINRA doesn't get to determine this. FINRA came in after the fact that it was already reported. I didn't fight on the firm's behalf as prior to this the firm's reputation had already been destroyed by FINRA and the respect that had been built over 25 years and 20 year in Primex was already undermined. I chose to focus on that which was important to me which was my reputation. All the expenses on Primex's books were recorded as instructed and changed with the guidance.

I found myself in a business where true crooks like Madoff and others were respected and never investigated while brokers who had pristine careers no customer complaints were barred from the business because they fell behind on medical bills. I could no longer in good conscience run a firm in a membership as such. I sit here today dumbfounded on hearing this reverse psychology that is written. How FINRA says it cancelled my membership when I already withdrew the firm. This is the equivalent to an employee saying he quit after the boss fires that employee..

POLICING THE POLICE – CHECKS AND BALANCES

Rules are written for a purpose and they are to be followed by both sides. FINRA rules are guidance on how to respectfully maintain compliance within the industry. At not time can FINRA proceed outside of its own purview. FINRA continues to try to push the envelope of its power. But as a wise man once said the power someone has over you is the power you give to them. In this case FINRAs power is limited to its rules and what the rules state. FINRA powers are abundant and were fully respected as I provided over a few million pages of documents. I was a firm owner for 20 years and had over 40 FINRA exams. All resulting in no disciplinary action. I wasn't examined for customer complaints or having rogue brokers or trading issues. To this point the firm has had no record of any disciplinary actions as I was the owner. If this were any other industry this would be Tantamount to harassment and discrimination. FINRA was like the predatory boss asking his secretary for favors. There has to be a time where the regulators are regulated. A review of the actions taken and someone to whistle blow on the action. With over 40 exams Over 32 hours of on the record interviews for this exam period reflected in this case and over a few million pages of documents. FINRA practically has every piece of paper the firm has outside of how many times we averaged in the bathroom. And this is the best they could come up with. Charging me with using my money to purchase items utilized at the firm that they felt could not be used in the ordinary course of my business. Emphasis on my business. The bigger crazier thing is this is not something FINRA found during an exam. This was something that I discussed with my accountant and decided to report due new guidance that the accountant provided. It wasn't even a filiing and refiling of documentation. This was the year end audit which was corrected to reflect the adjustments made due to factors and guidance being changed. FINRA rules clearly indicate what FINRA can and cannot do. What they have done is outside of FINRA purview. This is not a matter of opinion. Its base on the rule of law as well as FINRAs own rule. I am standing up for my rights as an individual. I don't live under a gestapo. There are laws and rules that must be followed and these rules cannot be bent to allow FINRA to change the intent of it. Even the Federal Government has its own internal procedures to allot for internal abuses. This is such a case. FINRA does not have the right to compel an individual to sign any document. Especially with the intent to coerce and individual to give up its rights. FINRA cannot threaten an individual in order to get them to sign documentation.

I'm not here to impress you but here to impress upon you the type of individual I am, I built this firm from scratch with my own money, I didn't come from a rich family and I wasn't given a small loan of a million dollars to start my business. I built it from hard work. I was in this business since that age of 16 and am now 46. I have one customer complaint as a broker in being licensed for 25 years. That customer complaint was one in which I urged a client to use the arbitration forum after he threatened my family with death. There was no wrong doing found but he was provided half of the commissions back as he presented a letter from President Bush after I exposed his lies. In a last ditch efforts after he agreed there was no wrong doing He pled for half the commissions which due to his service to the country as he was a high profile executive at Blackwater. So I have had a pristine career. I respect the law and the rule of law. What FINRA has tried to do is outside of this. So I like other whistleblowers have to stand up to the giant with the risk of being cast in a negative light. Had FINRA had a real case it would have brought the case when the receipts were clearly legible.

AS PER THE RULE CASES ARE DECIDED WITH WHATS ON THE RECORD

Within this case it does not state that FINRA has any right to compel him to sign any form. Not withstanding this the case clearly states the type of information contained in the account transcript which is not the type of information that FINRA is asking for in this case. Meaning that even if FINRA received an account transcript for 2013 it would not have satisfied the information sought by FINRA. They are using the Gaetz case under the guise of obtaining the tax filing information which would not have been included on a tax transcript. It would not have provided the amount of the 1099 issued it would have only provided the financial status of the account. Also, they were provided the information of what was provided by my account directly to the IRS for Primex. The amount sent by my accountant to the IRS would be the exact number that was reported. The other two panel members didn't quite grasp what finra was requesting meanwhile the third panel member understood

FINRA had a chance to bring expert testimony, to talk about tax sections or issues, or treatment of categorizing expenses for tax purposes. No one to talk about 8210, or to talk about compelling someone to sign document and when you review the record there was no such testimony. No such testimony on expenses and how to categorize expenses or what is normal and ordinary course of business for the brokerage business. Cases are to be decided based upon the arguments on the record not in the assumptions or personal afflictions to what you believe happened. It is to be based on the case and FINRA brought no such case. The original panel made assumptions based upon their personal view and not based upon the record before them.

RULES MADE RULES TO BE FOLLOWED

I believe at this point in time we are still in the United States of America.

And after providing hundreds of thousands of documents[s], we took a

legal position on the 8210 request as far as compelling an individual to

sign documentation . . . I don't think FINRA has the right to compel me to

sign documentation and until FINRA or any individual or organization as a rule of law has that right to do so the decision of the bar must be overturned.

The way to find the truth is usually not in the questions you ask but is found in the questions not asked. The whole problem with the hearing is it was focus just on the limited information that

FINRA provided and the twisting of facts to achieve the desired outcome. Also, the fact that FINRA limited the information that was found. The leading questions that were asked in order to obtain an outcome. Not the day to day entity and how my business was run. FINRA is still trying to push its conspiracy theory that my taxable income would increase. The way their brief is written is to try to persuade in a fashion as if they did not look at this information after the fact.

So, I like other whistleblowers have to stand up to the giant with the risk of being cast in a negative light. Had FINRA had a real case it would have brought the case when the receipts were clearly legible. I'm a person of principles and as an American you have to stand up for these principles.

Just as a police officer cannot just rummage through your home. There is a process for this. These checks and balances are there to maintain the system or the rule of law. Same as such for FINRA. This is why I appeal to the SEC

ACT II – VIRTUAL REALITY

With all due respect, Enforcement's case is a fiction – an alternate version of reality that reflects a complete misunderstanding, years after the fact, about how expenses were treated at Primex between 2013 and 2015. Enforcement's misunderstanding of the relevant events, and its resulting mischaracterization of my actions, and yielded absurd results.

As far as 8210 is concerned I have always complied with all the requests. I provided hundreds of thousands of pages of documents over 32 hours of on the record interviews. I fully complied with rule 8210. I even sat through regulators telling me on the record how jealous they were of me and racist statements of me taking money to the bank in plastic bags. I provided an answer to every request. The fact is that FINRA did not like the answer to the request. As a rule of law FINRA cannot compel me to sign documentation.

I produced to FINRA my actual tax forms (and those of Primex), but, I do not believe that FINRA has the legal authority, under Rule 8210, to compel me to sign any documents which are not otherwise my possession, custody or control and which are not documents "of" a registered person as stated in rule 8210. Nor do they have the legal authority to compel me to sign any documentation.

The information that was requested in the Gaetz case was mortgage information and promissory note interest payments and the info that was sought was the interest payments. This is the information which was "of" Mr. Gaetz and has no bearing on compelling an individual.

This is why the third panelist respectfully disagreed with her fellow panelists' conclusions. She understood the basis of rule 8210, And was unable to join in the Panel majority's finding that Enforcement proved that, as a matter of law, that I violated FINRA Rules 8210 and 2010 by not signing and submit Form 4506-T

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She found that Rule 8210 is not intended to compel an associated person to produce the sort of information preserved in an IRS Transcript that is only indirectly created by the taxpayer unlike bank statements, telephone records, or accounting papers for an outside business, to give a few typical examples. Bank and telephone statements are representative of the sorts of records a person customarily thinks of as records that he or she knowingly and intentionally causes to be generated and maintained by a third party.

That the IRS records of a taxpayer, such as the 2013 IRS Transcript sought in this case, fall just over the line and into a different category. They are not "of" the associated person. I am aware that Rule 8210 obligates a person to produce records from a third party so long as he or she has "control" over their production. But, applying principles of fairness, I do not think that IRS Transcripts are the sort of records that were contemplated as being within the reach of Rule 8210 or within a firm's or an associated person's "control."

Based on the central allegations made in this case, and after hearing the testimony and reviewing the documents admitted into evidence, I am troubled by FINRA's request. The IRS Transcript would not have revealed whether CPA, or someone else, prepared Felix's 2013 1099s, as Enforcement suggests. They also would not have shed light on whether any individual expense was personal or business, which is at the heart of the allegations in the Complaint. Such determinations can be made only by evaluating each expense.

I therefore dissent from the Panel majority's finding that Felix violated Rules 8210 and 2010, as alleged in cause six.

If she were troubled by this she would have been really troubled by the other requests I received such as for my wife's shoe and underwear size and if I had taken money to the bank in garbage bags which was asked on the record. Coupled with the fact that they expressed jealousy on the record.

Lastly, I am the defendant in this case it not my job to prove my innocence it is rather their job to prove guilt or in other words they need to provide the rules and evidence that states that FINRA has this alleged power. It is not my job to prove that they do not. As the rules already have set this precedent. They do not maintain this power. The rules themselves speak for themself. Throughout the record FINRA did not site one rule one case or any evidentiary detail stating that they had this right. They did not cite any guidance any rule section or any detail of any rule throughout the hearing. Not one notice to members was mentioned. Not one section of the rule was specifically read into the record. If FINRA wants to make this part of their purview. There is a process for it. Apply for it, notices to members open it to the industry for discussion. Get the right from the SEC and them make it part of their rules. But up to this point FINRA has not done so. So, at this point the FINRA has no precedent to bar me. FINRA tries to state that it is protecting the public from a person whose history of 25 years licensed in the industry has been helpful to the industry and to the public. So, it's a farce and it is akin to all big industries who

are up against a whistle blower trying to make an example to show its power in order to bend the rules and keep those who try to whistle blow in check. FINRA has yet to provide any evidence ruling or rule that states FINRA possess this power.

Cases are decided based upon what is placed on the record and not what is assumed. Cases are to be decided by the evidence provided and not by the assumption of evidence. Moreover, the SEC must take a firm stance that FINRA has the authority to compel me to sign documentation. But it must keep in mind that being **forced**, pressured, or tricked into **signing** a document goes against the very concept of contract law. Also keep in mind that not signing something is not an admission to anything it is just the understanding that when you are principled you have certain rights as a member firm and ultimately as an American citizen. I believe that you must stand up for those rights even if its at the risk of losing everything. You need to be able to fight and stand up for what's right. Each time you allow whether it be a group or individual to abuse your rights it is one more thing we will lose and with each loss of this type we will lose America itself.

Rules are written for a purpose and they are to be followed by both sides. FINRA rules are guidance on how to respectfully maintain compliance within the industry. Making it a system of self-regulation. In order to maintain this order, there has to be maintenance on both sides. At no time can FINRA proceed outside of its own purview. FINRA continues to try to push the envelope of its power. But as a wise man once said the power someone has over you is the power you give to them. In this case FINRAs power is limited to its rules and what the rules state.

I believe at this point in time we are still in the United States of America. And after providing

hundreds of thousands of documents[s], under8210 requests, I took a legal position on the 8210

request as far as compelling an individual to sign documentation . . . **FINRA does not have the**

right to compel me to sign documentation and until FINRA or any individual or organization as a

rule of law has that right to do so the decision of the bar must be overturned.

Again, I did not violate 8210 as 8210 does not provide for FINRA to compel me to sign any IRS document and this is my argument and always has been and it seems that the panel as well as the NAC did not even glance as this argument. I provided an answer to every 8210 request, its just the fact that FINRA did not like the answer.

An IRS transcript is an IRS-created document that shows "most line items" from tax returns, including adjusted gross income. During the investigation, FINRA staff asked me to produce IRS transcripts (a very rare request), which I did not have in my possession, or to sign an IRS Form instructing the IRS to send them to him.

I answered the request by, stating that FINRA's request went beyond the scope of Rule 8210 and that FINRA does not maintain the power to compel an individual to sign a document. Which is the whole premise of contract law.

What Rule 8210 Requires

FINRA has the right to obtain "the books, records, and accounts of such member or person … that is in such member's or person's possession, custody or control."

The Supplementary Material section explains that "of such member or person" refers to "books, records and accounts that the broker-dealer or its associated persons make or keep relating to its operation as a broker-dealer or relating to the person's association with the member."

The rule goes on to state that a firm or individual "must make available its books, records or accounts when these books, records or accounts are in the possession of another person or entity, such as a professional service provider, but the FINRA member, associated person or person subject to FINRA's jurisdiction controls or has a right to demand them."

What About IRS Transcripts?

Are IRS transcripts "of such member or person" or "its books, records or accounts"?

The answer should be no, but the Hearing Panel erred in its majority, two answered in the affirmative, ignoring and conflating the rule's language. While the third panelist who took the time to examine the rule dissented and thought otherwise.

First, the majority analyzed the issue by introducing words not found in the rule. The panel stated that, even though the IRS "maintained" the information, the tax information was:

personal to Felix and related to his association with a FINRA member firm. The 2013 IRS Transcript FINRA wanted therefore was "of" Felix because it concerned his own tax-related information even though the IRS stored it[.] (Emphasis added.)

The panel's analysis does not withstand scrutiny. Simply because information is "personal" (which presumably means it is about him as a person) and "concerned" his taxes, does not mean that the IRS documents are books, records or accounts "of" Felix.

For example, while the Social Security Administration has records of a representative's "personal" information, like date of birth, those documents are not books and records "of" the individual. Similarly, while a fund sponsor or insurance company may have information on their documents "concerning" a broker-dealer, that does not mean those documents are "of" the broker-dealer.

Second, the panel considered "Enforcement's reliance" on a pre-hearing order in a different case, where a Hearing Officer (not a Hearing Panel) ordered a respondent who was litigating against FINRA to submit an IRS Form to the IRS.

The Panel's reliance on this order is problematic for several reasons. In the order, the Hearing Officer did not analyze the wording of Rule 8210. The officer appears to have assumed that Rule 8210 applied. Thus, it is not "settled law" because the Hearing Officer made the ruling without considering the meaning of the word "of" or at least explaining the officer's rationale.

In addition, a Hearing Officer's pre-litigation order is not binding precedent on a different Hearing Panel.

A Hearing Officer order is certainly not precedential authority for a higher adjudicatory body, like a Hearing Panel that comprises a Hearing officer and two panel members.

Finally, as explained, the order was incorrectly decided.

Third, the panel found that Felix had "control" of the information maintained by the IRS, within the meaning of Rule 8210, because he had the authority to ask the IRS to produce the 2013 IRS transcript. The panel misread the rule.

Just because a person has "control" over a document and can request another party to produce it, does not mean that the document is subject to Rule 8210.

The rule's "control" language relates to "its" books, records or accounts (meaning documents of the firm or the individual). In this case, the IRS transcripts are not books, records or accounts of Felix, even if I could order a copy of them.

It is incredibly rare for Hearing Panel members to dissent. At this point there have only been five Hearing Panel members to have dissented in the past eight years. In my case a panelist (who I believe was an accountant) dissented primarily because "Rule 8210 is not intended to compel an associated person to produce the sort of information preserved in an IRS Transcript that is only indirectly created by the taxpayer[.]"

On the case of all legal, and logical sense there is no way that a bar is valid. It makes no sense when carried to its logical conclusion.

For example, it is unlikely that a Hearing Panel would find that FINRA could require an individual under Rule 8210 to file a Freedom of Information Act request to ask the IRS, the FBI, or the Department of Homeland Security for all documents created by the IRS, FBI or Department of Homeland Security containing the individual's name or information provided by the individual.

Similarly, FINRA would not be able to require a representative to fill out a form or log into his or her Google or YouTube account and access all of the prior searches performed by that person. Such documents and information are not books and records "of" the individual, even though the IRS, FBI, DHS, or Google may have used information provided by the individual to create those records.

If FINRA wishes to expand its authority to cover these circumstances, it can certainly try to do so by filing a proposed rule amendment with the SEC.

I also ask that the SEC look at all of 8210 cases concerning this same issue. Compile all of the documents and the SEC will see that there are no cases with which an individual was compelled to sign this document was barred, as I am aware of a few in particular that were of the same circumstance and FINRA admittedly stated the rules did not afford them this power. There are no cases that exist where an individual is barred for association for FINRA going above its own powers. This is why in good conscience all of the panel could not recommend a bar. This practice that FINRA has subjected me to throughout the process has been prejudice at its highest levels.

The only thing is I have to add is all I ask is that you use your commons sense. Review the record and apply the rules that exist not rules that FINRA wants to obtain. Utilize the information on the record and not what FINRA is trying to include after the fact after I pointed out they have nothing on the record. And that lastly, I was the CEO, president Janitor Secretary office manager, order supplier, lead buyer and Fix it Man of Primex. I am here to protect my reputation and the rule of law.

FINRA and the NAC have failed to live in the realm of reality and have taken the factors and twisted them into a story. While I realize everyone lives in their own reality and lives through the look ing glass of perspective, there is really only one truth. The expenses were reclassified based on the interpretation of the guidance given by the PCAOB. As the expenses were originally classified as instructed by a board-certified accountant. In that Rule 8210 does not provide the power to compel an individual sign documentation and when thoroughly examined utilizing the powers that 8210 affords there can only be one logical conclusion. ---THE BAR MUST BE OVERTURNED

Respectfully Submitted*

WIL FELIX