

U.S. SECURITIES AND EXCHANGE COMMISSION

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FINRA DEPARTMENT OF ENFORCEMENT, :

Complainant, :

v. : FINRA Disciplinary Proceeding
No. 2015045257501

RICKY ALAN MANTEI (CRD No. 1098981), : **ORAL ARGUMENT**
Respondent. : **REQUESTED**
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RESPONDENT'S APPLICATION FOR REVIEW

Respondent Rick Mantei hereby applies to the U.S. Securities and Exchange Commission (the "Commission") for review of the May 30, 2023 decision ("Decision") rendered by the FINRA National Adjudicatory Council (the "NAC"). The Decision imposed upon Respondent consecutive three-month suspensions from associating in any capacity with a member firm, a fine of \$15,000, plus costs of \$13,553, for violations of FINRA Rule 2010 and Municipal Securities Rulemaking Board ("MSRB") Rule G-17. NAC held that Respondent "direct[ed] prearranged trades with counterparties in contravention of his firm's prearranged trading prohibition to circumvent his firm's cross trade policy." (Decision at 2) The Decision was based on three client transactions – out of the tens of thousands made during the relevant time period – and concerned one municipal bond and two structured certificates of deposit ("SCDs"). It is undisputed that Respondent's firm sold those instruments into the market to other firms and then days later bought back the instruments and sold them to several different customers of Respondent and that Respondent's role was limited solely to conversations with one of his firm's traders.

Respondent seeks review of the NAC's findings of fact and conclusions of law on the grounds listed below and an independent review of the Record.

1. NAC erred in holding that FINRA has jurisdiction over transactions involving SCDs.

2. NAC erred in holding that the delay by FINRA Department of Enforcement (“DOE”) in filing the Complaint 58 months after the first alleged misconduct, and 51 months after the commencement of DOE’s investigation, was not unreasonable, did not constitute laches, and was not prejudicial.

3. NAC’s holdings that Respondent breached his firm’s Written Supervisory Procedures (“WSPs”) as to bond cross-trades and prearranged trading are error.

4. NAC erred in holding that Respondent violated FINRA Rule 2010 and MSRB Rule G-17 and applied faulty standards to those rules.

5. NAC erred in applying the bond cross-trade WSP to SCDs, which are not bonds.

6. NAC’s holding that DOE proved direct liability against Respondent, as opposed to aiding and abetting, which was not charged, is error.

7. NAC’s holding that “circumventing” the bond cross-trade WSP creates liability is error.

8. The NAC ignored or dismissed numerous critical undisputed facts as immaterial.

9. NAC erred in holding that failing to recall significant facts and/or testifying inaccurately as to material facts by DOE’s investigator and compliance witness were not fatal to DOE’s case.

10. NAC erred in relying solely on specific audiotapes chosen and produced by DOE.

11. NAC’s holding that the Hearing Officer’s refusal to issue a Rule 8210 request for the firm’s and primary witnesses’ emails was not material is error.

12. The Panel’s admission of testimony by the Chief Compliance Officer as an expert witness opining on the meaning and application of the prearranged trading WSPs and its exclusion of testimony by Respondent’s expert on the same subjects were error.

13. NAC’s failure to cite the Record on Appeal for *any* factual finding is error.

14. The sanctions imposed by the NAC are not justified by the Record.

Conclusion

For the reasons set forth above, Respondent respectfully requests that the Commission vacate the Decision and dismiss the Complaint with prejudice. Respondent respectfully requests oral argument of his appeal.

Dated: New York, New York
June 27, 2023

PADUANO & WEINTRAUB LLP

By: /s/ Anthony Paduano
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Respondent. :
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NOTICE OF APPEARANCE FOR RESPONDENT RICK MANTEI

Please accept this as my notice of appearance for Respondent, Rick Mantei, [REDACTED]
[REDACTED], in the above-captioned matter.

Dated: New York, New York
June 27, 2023

/s/ Anthony Paduano
Anthony Paduano
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New York, New York 10020
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NOTICE OF APPEARANCE FOR RESPONDENT RICK MANTEI

Please accept this as my notice of appearance for Respondent Rick Mantei in the above-captioned matter.

Dated: New York, New York
June 27, 2023

/s/ Katherine B. Harrison

Katherine B. Harrison

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NOTICE OF APPEARANCE FOR RESPONDENT RICK MANTEI

Please accept this as my notice of appearance for Respondent Rick Mantei in the above-captioned matter.

Dated: New York, New York
June 27, 2023

/s/ Courtney Iverson

Courtney Iverson

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CERTIFICATE OF SERVICE

I, Courtney Iverson, on June 27, 2023 served the foregoing Respondent's Application for Review and Notices of Appearances on:

The Office of the Secretary
Securities and Exchange Commission
100 F Street, NE
Room 10915
Washington, D.C. 20549
Email: apfiling@sec.gov

I caused the documents to be sent to the e-mail address listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful. I additionally caused the documents to be sent to the office at the address listed above by First Class Mail through the U.S. Postal Service.

On this date, I also served the foregoing Respondent's Application for Review and Notices of Appearances on:

Office of General Counsel
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I caused the documents to be sent to these persons at the e-mail addresses listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

I certify under penalty of perjury under the laws of the State of New York that the foregoing is true and correct.

/s/ Courtney Iverson
Courtney Iverson
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