

**UNITED STATES OF AMERICA**  
**before the**  
**SECURITIES AND EXCHANGE COMMISSION**

*In the Matter of the Application of*

JOHN F. MANGAN, JR., CRD #125558

For Review of Action Taken by Self-  
Regulatory Organization,

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MR. JOHN F. MANGAN, JR. (“Mangan”), is a resident of Charlotte, North Carolina and has been a financial services professional since 1983. Mangan by and through his undersigned counsel, and pursuant to 17 C.F.R. Section 201.420, hereby files this Application for Review of Action taken by the Financial Industry Regulatory Authority (“FINRA”).

At issue are FINRA’s claims that Mangan deceptively purchased stock through a Private Investment in Public Equity offering of stock by CompuDyne Corporation (“CDCY”), which was underwritten by Mangan’s employer in 2001. At the time, Mangan’s counsel was selected and directed by his employer firm, who had a clear conflict and an interest in Mangan settling without FINRA scrutinizing the firm.<sup>1</sup> Under threat that FINRA would charge him with insider trading, Mangan was convinced to execute a Letter of Acceptance, Waiver and Consent (“AWC”) which alleged various violations of NASD Conduct Rules and imposed a permanent bar from associating with any NASD member firm.<sup>2</sup> In 2006, the SEC, based on virtually identical alleged facts, filed a federal district court action charging Mangan with fraud and registration violations under the federal securities laws, nullifying the benefit of any resolution

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<sup>1</sup> Ex. A, at 2, 6; *see also State v. Lynch*, 275 N.C.App. 296, 299 (N.C. Ct. App. 2020) (noting a conflict of interest arises where a lawyer’s representation may be limited by the lawyer’s “responsibilities to another client, a former client, or a third person, or by a personal interest of the lawyer.”) (citing N.C. R. Pro. Conduct 1.07(a) (2019)).

<sup>2</sup> Ex. B, at 6.

Mangan thought he had obtained through executing the AWC.<sup>3</sup> The district court dismissed the SEC's claims entirely.<sup>4</sup> Mangan has never been the subject of any other regulatory or compliance proceeding in his 42-year career. Mangan respectfully requests the Commission grant review of this petition to vacate the AWC for the reasons that follow.

*First*, FINRA's continued enforcement of the AWC is precluded by the District Court's decision in the SEC civil case.<sup>5</sup> An Article III court considered the same facts at issue in FINRA's case, which were unsupported by the evidentiary record before the district court, and the court found that, as a matter of law, the SEC's claims could not stand.<sup>6</sup> Yet, FINRA rejected Mangan's petition to vacate the AWC without explanation.<sup>7</sup>

*Second*, FINRA's imposition of the AWC and subsequent rejection of Mangan's Petition to Vacate the AWC did not meet the statutory mandate to "provide a fair procedure for disciplining its members[.]"<sup>8</sup> Mangan submitted a 14-page Petition to the FINRA Board of Governors to vacate the AWC on October 17, 2024.<sup>9</sup> Nearly seven months later, FINRA sent a two sentence response declining this petition.<sup>10</sup> FINRA's denial is rooted in a preference for inaction, with no basis in the law, facts or equity of the matter.<sup>11</sup>

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<sup>3</sup> *SEC v. Mangan*, No. 3:06-cv-00531-GCM, ECF No. 1, Compl. (W.D.N.C. Dec. 28, 2006).

<sup>4</sup> *SEC v. Mangan*, ECF No. 25, Order Partially Granting Defendant's Motion to Dismiss (W.D.N.C. Oct. 24, 2007); *SEC v. Mangan*, ECF No. 51, Order Granting Motion for Summary Judgment, at 10 (W.D.N.C. Aug. 20, 2008).

<sup>5</sup> *Montana v. United States*, 440 U.S. 147, 153–54 (1979) (a "right, question or fact distinctly put in issue and directly determined by a court of competent jurisdiction . . . cannot be disputed in a subsequent suit between the same parties or their privies."); *see also Dept. of Enf't v. Lee*, FINRA, No. 2013035095301, Decision Granting Motion for Summary Disposition, at 10–11 (Oct. 1, 2015) (FINRA collaterally estopped from opposing application to lift associational bar).

<sup>6</sup> *SEC v. v. Mangan*, ECF No. 51, *See also* Ex. B. at 10–12.

<sup>7</sup> Ex. C.

<sup>8</sup> 15 U.S.C. § 78o-3(b)(8).

<sup>9</sup> *See* Ex. A.

<sup>10</sup> *See* Ex. C, providing no justification for the denial or opportunity for a hearing.

<sup>11</sup> *See* Ex. A, at 7–8.

Dated: May 23, 2025

Respectfully submitted,

/s/ A. Kristina Littman

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## **CERTIFICATE OF SERVICE**

I, A. Kristina Littman, on May 23, 2025, served copies of Mr. John F. Mangan, Jr.'s Application for Review, Certificate of Service, Notice of Appearance, and Index of Attachments and Attachments thereto ("Mangan's Application for Review Materials") on the Securities and Exchange Commission Office of the Secretary by electronic mail to [APFilings@sec.gov](mailto:APFilings@sec.gov).

On this date, I also served a copies of Mangan's Application for Review Materials on FINRA General Counsel by electronic email to [nac.casefilings@finra.org](mailto:nac.casefilings@finra.org)

On this date, I also caused service of Mangan's Application for Review Materials on the Securities and Exchange Commission Office of the Secretary and FINRA General Counsel by mail through the U.S. Postal Service to:

Office of the Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549-1090

FINRA - Office of General Counsel  
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