

**BEFORE THE
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC**

In the Matter of the Application of

Adam Strege

For Review of Action Taken by

Financial Industry Regulatory Authority

File No. 3-22397

FINRA'S BRIEF IN OPPOSITION TO THE APPLICATION FOR REVIEW

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I. INTRODUCTION

Once again, applicant Adam Strege seeks Commission review of FINRA’s actions denying him access to FINRA’s customer arbitration forum. The record amply demonstrates that the Director of FINRA’s Dispute Resolution Services (the “Director”) properly exercised his authority under FINRA Rule 12203 to again deny Strege access to FINRA’s arbitration forum. As the record reflects, Strege poses an ongoing risk to the safety of arbitrators, staff, and parties and their representatives, and the subject matter of the dispute in Strege’s statements of claim is inappropriate given the purposes of FINRA and the intent of the Code of Arbitration Procedure for Customer Disputes.

This case presents nearly the same legal issue and fact pattern as *Adam Strege*, Exchange Act Release No. 101414, 2024 SEC LEXIS 2872 (Oct. 23, 2024). In the prior applications for review, the Commission sustained FINRA’s actions, finding that FINRA acted in accordance with its rules when it denied Strege use of its arbitration forum to bring two statements of claim,

based on the Director's determination that Strege poses a safety risk to other forum participants. *Id.* at *7-8. The Commission explained that the Director reasonably determined that Strege poses a safety risk because his first statement of claim ("Statement of Claim I") included repeated references to mass casualty events and murder, and the Director reasonably considered Strege's arrest for allegedly making bomb threats to the Social Security Administration. *Id.* at *9. The Commission further explained that, although Strege's second statement of claim ("Statement of Claim II") omitted references to violence, it did nothing to counter the Director's assessment that Strege poses an ongoing safety risk to other forum participants. *Id.* at *9-10. The Commission therefore dismissed both applications for review. *Id.* at *11.

Since the Commission issued its opinion, Strege has continued an unrelenting pattern of filing statements of claim seeking access to FINRA's arbitration forum. Strege's statements of claim at issue in this application for review ("Statements of Claim IV and V"), like his prior Statement of Claim II, did nothing to dissuade the Director of his conclusion that Strege poses an ongoing safety risk. Relying explicitly on his reasoning in the prior denials of use of the forum, the Director denied Strege access to FINRA's arbitration forum. The Director's reasoning, as it related to the safety concerns that Strege continues to present, was affirmed by the Commission in its prior opinion. *See id.* at *1. The Director's second, independent ground for denying use of the forum was based on the inappropriate subject matter—a basis the Commission did not reach in its prior opinion—is likewise warranted and equally meritorious. *See id.* at *7 n.7.

Strege has not provided any justification for reversing the Director's exercise of his authority to protect arbitrators, staff, and parties and their representatives or the Director's determination that the subject matter of the disputes is inappropriate. To the contrary, Strege's brief seeks to relitigate issues already decided by the Commission in its prior opinion. Strege's

brief in support of his application also continues to reference violence unrelated to any argument on appeal, only further bolstering the Director’s determination that Strege presents extraordinary and ongoing safety concerns that require denial of FINRA’s arbitration forum. The Commission therefore should dismiss Strege’s application for review and sustain FINRA’s action.

II. FACTUAL AND PROCEDURAL BACKGROUND

A. The Commission Sustains FINRA’s Prior Actions Denying Strege Access to FINRA’s Arbitration Forum

The safety risk Strege presents was well known to the Director prior to the FINRA actions at issue. Indeed, the Director relied on this existing knowledge and explicitly referenced his prior reasoning when exercising his authority under FINRA rules to deny Strege access to FINRA’s arbitration forum in these instances. Therefore, to present a full recitation of the relevant facts and bases for the Director’s determination denying the forum for Statements of Claim IV and V, it is necessary to revisit Strege’s Statements of Claim I and II, FINRA’s related denials of forum sustained by the Commission, and Strege’s continued filings in FINRA’s arbitration forum thereafter.

1. The Director Denied Strege Access to FINRA’s Arbitration Forum for Statement of Claim I

On November 30, 2022, Strege filed with FINRA Dispute Resolution Services (“DRS”) Statement of Claim I in FINRA DRS Case No. 22-02722, against FINRA member TD Ameritrade and a non-FINRA-member bank. RP 18-137¹; *Strege*, 2024 SEC LEXIS 2872, at *1.

¹ “RP ____” refers to the page numbers in the certified record filed by FINRA on January 27, 2025. Strege’s numerous references to violence and other troubling statements in Statement of Claim I heavily factor in the Director’s determination at issue that Strege poses an ongoing safety risk to other arbitration participants. RP 5-137. Statement of Claim I is referenced in both letters upon which the Director relies, references, and encloses in his letters denying Strege access to FINRA’s arbitration forum for Statements of Claim IV and V. Therefore, Statement of

[Footnote cont’d on next page]

In Statement of Claim I, Strege appears to have alleged that TD Ameritrade violated FINRA rules because its employees recommended that he open a margin account without offering a function for setting stop-loss orders. RP 18-20; *Strege*, 2024 SEC LEXIS 2872, at *1-2. Strege alleged that this conduct also violated the Americans with Disabilities Act because a stop-loss function was a reasonable accommodation for his disability. RP 20-21; *Strege*, 2024 SEC LEXIS 2872, at *2. Strege further alleged, among other things, that TD Ameritrade had committed war crimes, crimes against humanity and aggression, and various other statutory and constitutional violations unrelated to securities. RP 19-20. Strege repeatedly referenced murder, weapons, and mass deaths. RP 18-136. In fact, Strege included the word “murder,” or a variation thereof, approximately 33 times. RP 18, 19, 20, 21, 25, 28, 34, 41, 45, 61, 68, 71, 76, 78, 85, 95, 96, 99, 100, 109, 116, 117, 127, 134, 135, 136. He also made unclear assertions about his life and world events, referred to violent acts by others, and asserted he was falsely arrested based on untruthful claims that he threatened the Social Security Administration.² *Strege*, 2024 SEC LEXIS 2872, at *2.

[cont’d]

Claim I is part of FINRA’s certified record in this proceeding filed on January 2, 2025. RP 18-137.

² Strege’s Statement of Claim I contained numerous allegations of violence against TD Ameritrade. For example, Strege accused “TD Ameritrade [of] murder[ing] its customers to rob their brokerage accounts that TD Fraudulently robs Trader’s money on all trades with fraudulent incorrect buy and sell prices.” RP 19. Strege also appeared to suggest that FINRA seemingly tolerates these malicious acts, claiming that “FINRA has Jurisdiction with Bank of America the Owner of 3 Brokerage Firms TD Ameritrade, Charles Schwab Corporation, Merrill Lynch Conspiracy to commit a crime Murdering and Robbing [sic] Traders Money.” RP 18. Similarly, according to Strege’s purported transcription of his electronic chats with a TD Ameritrade representative, Strege wrote, “You are not afraid that People will File a lwasuit [sic] against TD Amertade [sic] will murder anyone that does.” RP 25.

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On December 1, 2022, FINRA DRS notified Strege that the Director had denied him access to FINRA’s arbitration forum to arbitrate Statement of Claim I pursuant to FINRA Rule 12203(a). *Id.* at *4. Strege thereafter filed an application for review with the Commission seeking review of FINRA’s action. *Id.* The Commission remanded the proceeding to FINRA to clarify the basis for the Director’s denial of FINRA’s arbitration forum. *Id.*; *see also Adam Strege*, Exchange Act Release No. 99267, 2024 SEC LEXIS 9 (Jan. 3, 2024).

2. The Director Further Explained His Denial of Access to FINRA’s Arbitration Forum for Statement of Claim I (the “February 1, 2024, letter”)

On February 1, 2024, the Director sent Strege a letter explaining in more detail that he denied Strege access to FINRA’s arbitration forum to arbitrate Statement of Claim I pursuant to FINRA Rule 12203 to protect the safety of arbitrators, staff, and parties and their representatives. RP 7-10; *Strege*, 2024 SEC LEXIS 2872, at *4. The Director’s letter cited Strege’s numerous references to violence, murder, and mass shootings at Columbine High School, Pulse nightclub in Orlando, and a music festival in Las Vegas as the basis for the Director’s determination that Strege posed a safety threat. RP 7-8; *Strege*, 2024 SEC LEXIS 2872, at *4-5 & n.4. The

[cont’d]

Strege also included in Statement of Claim I more than 100 pages of unrelated content, frequently of a violent nature. RP 18-137. These pages include paragraphs of words and phrases that seemingly bear no relation to each other. For example, Strege wrote “[t]he St. Valentine’s Day Massacre in Chicago [h]og butcher for the world, Cornelius Vanderbilt Covid 19 Vaccine Laboratory VA Hospital by Headquarters Hardee.” RP 38. He also wrote, “I was Forman [sic] of the Grand Master Ku Klux Klan brought Guns to work his Truck was Stollen [sic] Vandalized and pull a knife on me at McDonnolds [sic].” RP 51. Strege also repeatedly referenced mass casualty events, ranging from the September 11, 2001 terrorist attacks on the World Trade Center (RP 54, 62, 63, 73, 79, 80, 81, 88, 89, 90, 101, 102, 103, 108) to several high-profile mass shootings, including the 2015 shooting in San Bernadino (RP 46, 113), the 2016 Pulse nightclub shooting in Orlando, the 2017 shooting at a music festival in Las Vegas (RP 114, 118), and the 1999 shooting at Columbine High School (RP 46, 64, 82, 115, 116, 121).

Director's February 1, 2024, letter also explained that FINRA had found an FBI press release stating that, in 2019, the FBI had arrested an individual named Adam Strege for making bomb threats, corroborating Strege's statement that he was arrested by the FBI for making threats against the Social Security Administration, and reinforcing the Director's determination that Strege was a safety risk. RP 8, 10; *Strege*, 2024 SEC LEXIS 2872, at *5. The Director explained that FINRA offices are not "equipped with the appropriate security measures to ensure the safety of arbitrators, staff, and parties or their representatives" when parties to a dispute pose a serious safety risk. RP 8; *see also Strege*, 2024 SEC LEXIS 2872, at *5. The Director further advised that he consulted FINRA's Director of Corporate Security, who found that, based on the consistent theme of violence in Strege's statement of claim, Strege posed a serious threat to arbitrators, parties and their representatives, and staff. RP 8; *Strege*, 2024 SEC LEXIS 2872, at *5.

In his February 1, 2024, letter, the Director also explained that a remote hearing would not negate the risk Strege poses because Strege would learn the names and other identifying information of the arbitrators, FINRA staff, and parties and their representatives. RP 8-9; *Strege*, 2024 SEC LEXIS 2872, at *5-6. In this regard, the Director noted that, in accordance with FINRA's Code of Arbitration Procedure, parties to an arbitration select their panel, and that staff is heavily involved in coordinating and administering the arbitration process and communicates frequently with the parties. RP 8. Thus, he reasoned, Strege would have enough identifying information to feasibly locate these individuals. RP 8-9; *Strege*, 2024 SEC LEXIS 2872, at *6. The Director therefore concluded that a remote hearing was not a viable option. RP 9; *Strege*, 2024 SEC LEXIS 2872, at *6. Accordingly, the Director stated that he was exercising his authority under FINRA Rule 12203 to deny Strege use of FINRA's arbitration forum to protect

the safety of arbitrators, staff, and parties and their representatives. RP 9; *Strege*, 2024 SEC LEXIS 2872, at *4.

On February 26, 2024, Strege filed a second application for review with the Commission. *Strege*, 2024 SEC LEXIS 2872, at *6.

3. The Director Denied Strege Access to FINRA’s Arbitration Forum for Statement of Claim II (the “March 7, 2024, letter”)

On February 23, 2024, Strege filed another statement of claim in FINRA DRS Case No. 24-00430, Statement of Claim II. *Id.* at *6. In Statement of Claim II, Strege alleged that TD Ameritrade closed his brokerage account in retaliation for the Commission’s remand of his prior arbitration case. *Id.* He also alleged that no other brokerage firm would allow him to open an account. *Id.* Strege did not include, however, the violent language that he had used pervasively in Statement of Claim I. RP 12.

On March 7, 2024, FINRA DRS sent Strege a letter notifying him that the Director had denied Strege access to FINRA’s arbitration forum pursuant to FINRA Rule 12203 for Statement of Claim II. RP 11-17; *Strege*, 2024 SEC LEXIS 2872, at * 6-7. As before, the Director’s letter recounted Strege’s violent references in Statement of Claim I and his arrest for making bomb threats against a federal agency. RP 11-12. The Director noted that while Statement of Claim II did not contain violent references, it did nothing to dissuade the Director of his prior conclusion that Strege presented a serious safety risk and the risk remained ongoing. RP 12; *Strege*, 2024 SEC LEXIS 2872, at *7. Therefore, the Director denied Strege access to the forum pursuant to FINRA Rule 12203 to protect the safety of arbitrators, staff, and parties and their representatives. RP 13; *Strege*, 2024 SEC LEXIS 2872, at *6. The Director also provided a second, independent basis for denying use of FINRA’s arbitration forum, finding that the subject matter of the dispute

was inappropriate pursuant to FINRA Rule 12203 because it essentially raised the same claims that Strege presented in Statement of Claim I. RP 13; *Strege*, 2024 SEC LEXIS 2872, at *7 n.7.

On March 7, 2024, Strege requested Commission review of FINRA’s decision to deny him access to FINRA’s arbitration forum for Statement of Claim II. *Strege*, 2024 SEC LEXIS 2872, at *7.

4. The Commission Sustains FINRA’s Actions Denying Strege Access to FINRA’s Arbitration Forum for Statements of Claim I and II

The Commission sustained FINRA’s actions in FINRA DRS Case Nos. 22-02857 and 24-00430, related to Statements of Claim I and II. *Id.* at *1. The Commission dismissed Strege’s applications for review, finding that “FINRA acted in accordance with its rules when it denied [Strege] use of its arbitration forum based on a determination that [Strege] poses a safety risk to other forum participants.” *Id.* at *7-8. The Commission found that “the Director reasonably determined that accepting either [Statement of Claim I or II] for arbitration would pose a safety risk...given all the facts.” *Id.* at *9. The Commission continued that it was reasonable for the Director to consider Strege’s arrest for allegedly making bomb threats when determining whether Strege poses a risk. *Id.* The Commission noted that although Strege’s Statement of Claim II did not have any violent references, “it contained nothing to counter the Director’s assessment that Strege posed an ongoing safety risk.” *Id.* at *9-10. The Commission also found that the Director reasonably found that no FINRA office had adequate safety features to mitigate against the risks posed by Strege, and that even permitting Strege to appear remotely would not sufficiently mitigate the safety risks because Strege could still learn identifying information about other arbitration participants. *Id.* at *10. Having upheld the Director’s decision to deny use of FINRA’s arbitration forum on safety grounds, the Commission did not

reach the Director's second, independent basis for denying the forum based on his finding that the subject matter of Statement of Claim II was inappropriate for arbitration. *Id.* at *6.

B. The Director Denied Strege Access to FINRA's Arbitration Forum for Statement of Claim III

On December 7, 2024, Strege filed another statement of claim in FINRA DRS Case No. 24-02587 ("Statement of Claim III"), against FINRA members Charles Schwab & Co., Inc. ("Charles Schwab") and Bank of America. RP 1-2. Strege alleged that Charles Schwab and Bank of America violated "FINRA Laws," "SEC Laws," and various federal laws, including the Americans with Disabilities Act. RP 1. Strege also alleged that Charles Schwab and Interactive Brokers improperly closed his brokerage account. RP 1. He further alleged, "Charles Schwab Old owners[,] Wells Fargo Bank[,] and Bank of America stole \$100,000" from him. RP 1-2. He also asserted that Charles Schwab should let him "trade in simulator," "Fidelity [Investments] has no simulator," and "Brokers should have Max Share Size and Max Loss [settings]." RP 1-2. He also alleged, "Broker do nothing to Help People" and "Broker Does not Place Trade and Rob all money." RP 1. Strege also asserted, "There 80 million Refugees it's never safe to go outside the rest of life." RP 2.

On December 11, 2024, FINRA DRS sent Strege a letter notifying him that, pursuant to FINRA Rule 12203, the Director had denied Strege use of FINRA's arbitration forum to arbitrate Statement of Claim III "for the reasons explained in the February 1, 2024, letter and March 7, 2024, letter." RP 5. FINRA DRS enclosed the February 1, 2024, letter (denying Statement of Claim I) and March 7, 2024, letter (denying Statement of Claim II), wherein the Director explained that he denied Strege's request to arbitrate "to protect the safety of the arbitrators, parties and their representatives, and FINRA staff" and provided extensive detail to support his determination. RP 7-137. Like Statement of Claim II, Statement of Claim III omitted references

to violence. But as explained in the Director’s March 7, 2024, letter, the omission of any violent references did not “dissuade [the Director of his] prior conclusion that [Strege] present[s] a serious safety risk, and that risk remains ongoing.” RP 12.

On December 11, 2024, Strege requested Commission review of FINRA’s December 11, 2024, decision to deny him access to FINRA’s arbitration forum to arbitrate Statement of Claim III.³

C. Strege Filed a Motion for Reconsideration, Statement of Claim IV, and Statement of Claim V in FINRA’s Arbitration Forum

On December 11, 2024—the same day that FINRA DRS notified Strege that the Director had denied Strege use of FINRA’s arbitration forum to arbitrate Statement of Claim III and the same day that Strege filed an application for review seeking Commission review of that denial—Strege filed an “Amended Complaint” and “Motion [for] Reconsideration” with FINRA DRS. RP 139-41. Again, Strege alleged that Charles Schwab and Bank of America violated FINRA rules and federal law, including the Americans with Disabilities Act. RP 139. Strege also asserted, “FINRA Laws do not allow Bad words its abuse discretion when new FINRA Case used no Bad Words.” RP 139.

That same day, Strege also filed with FINRA DRS another statement of claim against Intercontinental Exchange and Nasdaq, Inc. (Statement of Claim IV) in FINRA DRS Case No. 24-02612. RP 143-50. Although he named different respondents in his new statement of claim, Strege made many of the same allegations he alleged in Statement of Claim III, including allegations against prior respondents. For example, Strege alleged that Intercontinental

³ The Commission acknowledged Strege’s appeal and assigned the matter as Administrative Proceeding File No. 3-22365. Administrative Proceeding File No. 3-22365 remains pending before the Commission.

Exchange and Nasdaq, Inc. (“Nasdaq”) violated “FINRA Laws,” “SEC Laws,” and the exact same federal laws, including the Americans with Disabilities Act, that Strege alleged Charles Schwab and Bank of America violated in Statement of Claim III. RP 144. Like Statement of Claim III, Strege alleged that “both Schwab and Interactive Brokers” improperly closed his brokerage account despite neither being a named respondent in Statement of Claim IV. RP 146-47. Like Statement of Claim III, Strege asserted that Intercontinental Exchange and Nasdaq “do nothing to Help Disabled People and Poor People” and “Brokers do not Place the Trade and rob all Money.” RP 144. He further alleged that “Bank and Broker exterminate and rob people” and “Brokers can exclude all Disabled People.” RP 148-49. Just as he alleged in Statement of Claim III, Strege also asserted that “Brokers [should] have Max Share Size and Max Loss settings,” and “Charles Schwab” should let him “trade in simulator” and “Brokers should have Max Share Size and Max Loss [settings].” RP 155. Like Statement of Claim III, Strege also alleged, “80 million Refugees it’s never safe to go outside the rest of life.” RP 145.

The next day, on December 12, 2024, Strege filed with FINRA DRS another statement of claim, this time against Fidelity Investments (“Fidelity”), Nasdaq, and Intercontinental Exchange (“Statement of Claim V”) in FINRA DRS Case No. 24-02620.⁴ RP 159-167. Only Fidelity was a new respondent; Strege previously named Nasdaq and Intercontinental Exchange as respondents in Statement of Claim IV. Like his prior statements of claim, Strege again made many of the same allegations. For example, Strege alleged that Fidelity, Intercontinental Exchange, and Nasdaq violated “FINRA Laws,” “SEC Laws,” and the same federal laws, including the Americans with Disabilities Act, that Strege alleged the prior respondents violated

⁴ Statement of Claim V is dated December 11, 2024, but Strege did not file it with FINRA DRS until December 12, 2024.

in Statements of Claim III and IV. RP 159. In addition, Strege also alleged that Fidelity, Nasdaq, and Intercontinental Exchange committed violations of “Genocide Laws,” “war crimes,” “crimes against humanity & aggression,” “assault,” and “battery.” RP 159. Similar to Statement of Claim III, Strege asserted that “Brokers do not place the Trade robbing all the Money” and “Brokers do nothing to Help Poor and Disabled People.” RP 160. Like Statements of Claim III and IV, Strege alleged that Charles Schwab improperly closed his brokerage account and Bank of America “stole \$70,000 from Adam,” despite neither Charles Schwab nor Bank of America being a named respondent in Statement of Claim V. RP 163. Like his prior statements of claim, Strege complained there is “no Max Loss and Max Share Size setting.” RP 160. Strege also again asserted “there 80 Million Refuges [sic].” RP 163. He also asserted, “[t]he Police harass Adam its never safe to go outside rest life.” RP 164.

On December 16, 2024, the Director sent Strege a letter in response to his myriad filings with a subject line that referenced FINRA DRS Case Nos. 22-02722 (Statement of Claim I), 24-00430 (Statement of Claim II), 24-00520,⁵ 24-02587 (Statement of Claim III), 24-02612 (Statement of Claim IV), and 24-02620 (Statement of Claim V).⁶ RP 173. In the December 16,

⁵ On March 8, 2024, Strege filed another statement of claim in FINRA DRS Case No. 24-00520. This statement of claim is part of the certified record in *Strege*, 2024 SEC LEXIS 2872. Like the prior statements of claim, the Director denied Strege access to FINRA’s arbitration forum in FINRA DRS Case No. 24-00520. *See* Certified Record filed by FINRA on March 21, 2024 (No. 3-21880), <https://www.sec.gov/enforcement-litigation/administrative-proceedings/3-21880>. The Commission may take official notice of this filing pursuant to Rule of Practice 323. *See* 17 C.F.R. § 201.323 (providing that official notice may be taken “of any material fact which might be judicially noticed by a district court of the United States”). Strege never appealed FINRA’s denial of his March 8, 2024, statement of claim.

⁶ While the December 16, 2024, letter referred to the six separate FINRA DRS matters in its introductory caption, the text in the body of the letter mistakenly provides that the letter is “[i]n response to your filings on December 7, 2024[,] and December 12, 2024,” omitting Strege’s

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2024, letter, the Director notified Strege that, pursuant to FINRA Rule 12203, and “for the reasons explained in the February 1, 2024, letter and March 7, 2024, letter,” the Director denied Strege use of FINRA’s arbitration forum “for [his] statement of claim and any future statement of claim.” RP 173. As explained in both the February 1 and March 7, 2024 letters, the Director denied Strege’s request to arbitrate “to protect the safety of the arbitrators, parties and their representatives, and FINRA staff” and provided extensive detail to support his determination. RP 7-137. As further explained in the March 7, 2024, letter, the Director also “separately and independently” denied Strege’s request to arbitrate pursuant to FINRA Rule 12203, “because the subject matter of the dispute is inappropriate.” RP 13, 73. In this regard, after reciting the similarities between Statements of Claim I and II, the Director explained that Strege was attempting to use FINRA’s arbitration forum to arbitrate the same previously denied claims. RP 13.

In the December 16, 2024, letter, the Director continued: “FINRA will not be responding to any new statements of claim or filings in this matter or any future matter.” RP 173. The Director included the name, telephone number, and email address of a particular FINRA staff member to contact “[i]f [Strege] [had] any questions” and concluded the letter with the Director’s telephone number and email address. RP 173.

[cont’d]

Statement of Claim IV filing dated and filed December 11, 2024. RP 173. Despite this clerical error, it is undisputed that the Director is responding to both Statements of Claim IV and V.

D. Strege Continues to Make Violent References in His Application for Review and Opening Brief to the Commission

On or about January 13, 2025, Strege filed the underlying application for review, requesting Commission review of FINRA's December 16, 2025, decision to deny him access to FINRA's arbitration forum. RP 179-457. Strege's application for review is difficult to decipher, but he asserts that FINRA denied him access to FINRA's arbitration forum because he "used murder words" and FINRA provided "zero explanation." RP 181.⁷

On April 7, 2025, FINRA received notice that Strege filed his opening brief in support of his application for review.⁸ The brief has little, if anything, to do with the issue on appeal: whether the Director properly denied Strege access to FINRA's arbitration forum in accordance with FINRA rules. Rather, Strege's opening brief revisits facts, prior respondents, and issues

⁷ Strege also asserts in his application for review, "Most Everyone File Federal lawsuit are murdered" (RP 180); Fidelity, Nasdaq, and Intercontinental Exchange "Conspire to Conceal Murder and Rob Billion People Human Hearts in Nuclear Fuel" (RP 186); "10 times try to murder drug & false arrest Adam" (RP 192); and "Police 10 times accuse murder" (RP 192). Strege made repeated references to "murder" or a variation thereof (RP 180, 191-193, 202, 206, 215, 219, 223, 224, 227, 229, 255, 258, 263-63, 267-68, 273, 275, 281, 289, 298-99, 300, 336, 337, 339, 342, 355, 357, 380-81, 383, 386, 404, 406, 408-10, 412, 417, 423, 431, 432, 446, 448, 451, 452, 453) "rape" (RP 191, 213, 401, 416, 435); "gun" (RP 188, 209, 212, 240, 246, 251, 260, 271, 279, 294, 296, 306, 312-13, 319 320, 341, 351, 363, 365, 367, 371, 398, 404, 412, 415, 416, 427, 439); "Machine Gun" or a variation thereof (RP 270, 343, 351, 402); and "massacre" (RP 208, 226, 254, 263, 268, 310, 31, 321, 323, 339, 378, 407, 433). He also asserted, "Printed Guns no Cereal Number" (RP 343); "Dad 50 times talk about buying Unregistered Hand Gun" (RP 410); and "Adam very 1st roommate Selling Unregistered Guns" (RP 410).

⁸ Notwithstanding the March 20, 2025, deadline established by the Commission, Strege did not file a brief in support of his application or move for an extension of time. Accordingly, on April 2, 2025, FINRA moved the Commission to dismiss Strege's application for review as abandoned and stay the briefing schedule pursuant to SEC Rules of Practice 154 and 180(c). Thereafter, on or about April 2, 2025, Strege filed his opening brief with the Commission but did not serve FINRA. FINRA received notice of Strege's opening brief on April 7, 2025, when the Commission posted the filing on the electronic docket. In response to FINRA's supplemental motion for an extension of time, the Commission ordered FINRA to file its answering brief by May 7, 2025.

that were definitively decided by the Commission in Strege's prior applications for review. Opening br. at 2, 5, 14, 60, 79; *Strege*, 2024 SEC LEXIS 2872, at *9-11 (sustaining FINRA's actions denying Strege access to FINRA's arbitration forum based on the Director's determination that he poses a safety risk despite Statement of Claim II omitting any violence references and dismissing Strege's argument that FINRA failed to respond to the Commission's prior remand order).

More concerning, however, is Strege's violent references and claims unrelated to any argument on appeal. For example, Strege broadly asserts in the very first sentence of his brief, that "God Loves Launching all Planets Nuclear Missiles to kill all Planets" (Opening br. at 1). He continues, "Stock Market Brokers Religion Belief to murder and rob all traders" and "SEC and FINRA Help Put Billion Human Hearts in Nuclear Fuel and hamburger Cannibalism FINRA murder and rob everyone then FINRA Forum Denied using murder word in Bible" (Opening br. at 1, 13) and "Commercials Controlling all Earth Media to Murder Rob everyone to put Human Body Parts Hamburger Heart in Nuclear Fuel" (Opening br. at 77).

Similar to his prior Commission filings related to Statements of Claim I, II, and III,⁹ Strege recites numerous incidents of violence and brutality, including references to "murder" or a variation thereof (Opening br. at 1, 10, 13, 14, 17, 23, 43, 46, 49, 53, 61-62, 65, 67, 74, 76-78, 81, 86-88, 91); "kill" or "killing" (Opening br. at 1, 6-9, 12, 19, 22, 36-38, 39, 41, 43, 47-48, 55-

⁹ See Strege's filings dated December 10, 2024, December 11, 2024, January 24, 2025, March 26, 2025, SEC Administrative Proceeding No. 3-22365, <https://www.sec.gov/enforcement-litigation/administrative-proceedings/3-22365>; Strege's filings dated February 29, 2024, June 6, 2024, July 1, 2024, August 16, 2024, and October 15, 2024, SEC Administrative Proceeding No. 3-21880, <https://www.sec.gov/enforcement-litigation/administrative-proceedings/3-21880>; and Strege's filings dated January 12, 2013, February 9, 2013, and March 13, 2023, Administrative Proceeding No. 3-21253, <https://www.sec.gov/enforcement-litigation/administrative-proceedings/3-21253>.

56, 61-62, 64, 68, 78, 86); “massacre” (Opening br. at 18, 36, 55); “assassin” (Opening br. at 28, 31, 44-45, 68, 82, 87); bombs, nuclear weapons, weapons of war, and poisonous gas (Opening br. at 1, 5-10, 12-22, 24-20, 22-43, 45-60, 62-63, 65, 67-69, 71-79); kidnapping and other crimes against children (Opening br. at 15, 20, 23-6, 30-32, 34, 41-43, 46, 48, 51, 57-58, 62-69, 71, 73-76, 78-79); “gun” (Opening br. at 34, 45, 49, 69, 71); “Dad 100 times talk about wanting Unregistered Hand Gun” (Opening br. at 71); “date rape” (Opening br. at 30); “executed hanging” (Opening br. at 18); “dead body snatcher” (Opening br. at 37); “suicide” (Opening br. at 19, 38, 43, 44); and “cannibalism” (Opening br. at 6, 9, 13, 15, 36-37, 55, 59).

Like his prior Commission filings, Strege continues to refer to atrocities and mass casualty events in his opening brief. Strege’s references include Nazis, the Holocaust, concentration camps, and “Kill Million Jews” (Opening br. at 1, 15-16, 28-21, 29, 31, 33, 35, 38, 40-43, 47-52, 56-59, 62, 65, 67, 73-75, 79, 87, 88); Osama Bin Laden and the 9/11 terrorist attacks (Opening br. at 15, 18, 22, 23, 25-27, 29, 34, 35, 39, 40, 45, 54, 64, 68, 70-75, 78-79, 81, 86-88); the Columbine school shooting (Opening br. at 76); the 2017 shooting in Las Vegas at the Harvest music festival (Opening br. at 39, 48); and San Bernardino shooting (Opening br. at 39).

In addition to these various atrocities, Strege’s opening brief contains other violent references, such as “Hardee’s Hamburgers murder 6 Congressman” (Opening br. at 62); “FINRA conspire to conceal Putting Billion Human Hearts in Nuclear Fuel (Opening br. at 6); “Human Hearts In Nuclear Fuel” (Opening br. at 1, 6, 12), “Police put Billion Human Hearts in Nuclear Fuel” (Opening br. at 78); “SEC Stock Market employes acting in clear absence all Jurisdiction conspire to Conceal Putting billion Human Hearts in Nuclear Fuel and Human Body Parts in Ethanol Gas and Hamburger Cannibalism” (Opening br. at 9); “unit 731 Biological Weapon

experiments murder 500,000 Prisoners 100 Mil Died” (Opening br. at 49); “98% Earth Population Died Plague Flue [sic] Smallpox” (Opening br. at 41); “Exterminate all Earth people” (Opening br. at 5); and “grind up 100,000’s Dead bodies field fertilizer” (Opening br. at 61). Strege also again writes that “Police harass [him] every time outside its never safe to go outside rest life” (Opening br. at 1).¹⁰

For the first time since Statement of Claim I, Strege’s opening brief revisits the concept of an “Unregistered Handgun” (RP 62), writing “100 times wanting Unregistered Hand Gun.” Opening br. at 71. In addition, Strege for the first time seemingly confirms that his prior arrest pertained to alleged threats he made to an administrative law judge at the Social Security Administration. Opening br. at 77-78. He writes, “SSA-ALJ Law Judge had Puerto Rico arrest [Strege] 450 days fore making SSA-ALJ Phone Call Adam did not make.” Opening br. at 77-78.¹¹

III. ARGUMENT

Under Securities Exchange Act of 1934 (“Exchange Act”) Section 19(f), the Commission must dismiss Strege’s application for review if it finds that: (1) the specific grounds on which

¹⁰ Many of these assertions Strege previously made in other filings to the Commission, including his opening brief in Administrative Proceeding No. 3-22365. *See* Applicant Strege’s March 26, 2025, filing, <https://www.sec.gov/enforcement-litigation/administrative-proceedings/3-22365>; note 9 *supra*.

¹¹ At 93 pages and 23,849 words (relying on the word count feature of Microsoft Word), Strege’s opening brief exceeds the length limitations in SEC Rule of Practice 450(c), and he has not sought leave to file a brief that exceeds those length limitations. *See* 17 C.F.R. § 201.450(c). FINRA takes no position on Strege’s violation of Rule 450(c) or any remedy the Commission would seek to impose for his violation. But even if the Commission were to strike portions of Strege’s brief for his failure to abide by the length limitation, numerous violent statements and repeated references to murder, weapons, and mass killings are within the length limitation and thus would remain.

FINRA based its action exist in fact; (2) FINRA's denial of the arbitration forum was in accordance with its rules; and (3) those rules were applied in a manner consistent with the purposes of the Exchange Act. 15 U.S.C. § 78s(f).¹² The Commission should sustain FINRA's action because FINRA acted in accordance with its rules when the Director properly determined that Strege poses a safety risk to other arbitration forum participants and the subject matter of the dispute is inappropriate given the purposes of FINRA and the intent of the FINRA Code of Arbitration Procedure for Customer Disputes, and therefore denied Strege the use of FINRA's arbitration forum.

Allowing Strege to pursue his arbitration claims in FINRA's forum continues to present a significant safety risk to other arbitration participants and FINRA staff. Strege has done nothing to counter the Director's determinations that Strege poses an ongoing risk or that FINRA is unable to mitigate the safety risks that Strege presents. *See Strege*, 2024 SEC LEXIS 2872, at *9-10 ("[A]lthough Strege's second statement of claim omitted references to violence, it contained nothing to counter the Director's assessment that Strege posed an ongoing safety risk, such as disavowing Strege's previous references to violence or providing assurances or proof that he is not a safety risk."). Considering the violent references Strege made in Statement of Claim I, his prior arrest for allegedly making bomb threats against a federal agency, and FINRA's unique knowledge about its continuing inability to mitigate the safety risk Strege presents, the Director reasonably determined that accepting Strege's Statements of Claim IV or V, or any future statement of claim, would continue to pose an unmitigated safety risk to the other forum participants and FINRA staff. RP 5, 7-17, 173. The Director also properly

¹² Strege does not argue, and the record does not show, that FINRA's action imposes an undue burden on competition. *See id.*

concluded that the subject matter of Strege's claims—which alleged the same conduct previously alleged—is inappropriate. RP 13, 173. Statements of Claim IV and V allege the same violations of FINRA and SEC rules and federal statutes as alleged in Statement of Claim III, and the statements of claim include allegations against the same respondents that Strege alleged in previous statements of claim. RP 1-2, 144-45, 148-49, 155, 159-60, 163.

Accordingly, the Director exercised his authority under FINRA Rule 12203 to deny Strege access to FINRA's arbitration forum. RP 173; *see Strege*, 2024 SEC LEXIS 2872, at *10-11 (upholding the Director's previous denials of forum with respect to Statements of Claim I and II). FINRA's action was in accordance with FINRA rules and consistent with the purposes of the Exchange Act. The Commission should therefore dismiss Strege's application for review.

A. The Specific Grounds for FINRA's Denial of Strege's Access to FINRA's Arbitration Forum Exist in Fact

It is undisputed that the Director denied Strege access to FINRA's arbitration forum because the Director determined that Strege poses a safety risk to arbitrators, staff, and parties and their representatives and the subject matter of the dispute in Strege's statements of claim is inappropriate. The record shows, and Strege does not contest, that the grounds for FINRA's action exist in fact. The Director's determination was based on Strege's repeated use of violent language and references to violent acts in Statement of Claim I, Strege's prior arrest for allegedly making bomb threats to the Social Security Administration, and the Director's conclusion that no FINRA office is equipped with sufficient security measures to mitigate the safety risks Strege presents and that a virtual hearing likewise would not mitigate the safety risks. RP 5, 7-17, 173; *see Strege*, 2024 SEC LEXIS 2872, at *8-9. Statements of Claim IV and V, on their face, also allege the same violations of FINRA and SEC rules and federal statutes as alleged in Statement of Claim III, and the statements of claim include allegations against the same respondents that

Strege alleged in previous statements of claim. Strege does not challenge any of these grounds or findings on appeal. Nor can he because all exist in fact.

B. FINRA Denied Strege Access to Its Arbitration Forum in Accordance with FINRA Rules

FINRA Rule 12203 authorizes the Director to deny access to FINRA's arbitration forum for arbitration claims that pose a risk to the health or safety of arbitrators, staff, or parties or their representatives. The rule also authorizes the Director to deny access to the forum when the subject matter is inappropriate. Rule 12203(a) provides:

The Director may decline to permit the use of the FINRA arbitration forum if the Director determines that, given the purposes of FINRA and the intent of the Code, the subject matter of the dispute is inappropriate, or that accepting the matter would pose a risk to the health or safety of arbitrators, staff, or parties or their representatives.

Here, FINRA properly denied Strege access to FINRA's arbitration forum because the Director determined that Strege poses a safety risk and that the subject matter is inappropriate.

1. The Director Reasonably Determined That Strege Was a Danger to Arbitrators, Staff, and Parties and Their Representatives

In this case, FINRA denied Strege access to FINRA's arbitration forum in accordance with FINRA Rule 12203 because the Director reasonably determined that Strege poses a safety risk to the other arbitration participants and FINRA staff.

The Director had ample "reason to believe" that Strege "present[s] a security risk to the forum or to other parties." *See Notice of Filing of Proposed Rule Change and Amendment Nos. 1, 2, 3, and 4 Thereto to Amend NASD Arbitration Rules for Customer Disputes*, Exchange Act Release No. 34-51856, 2005 SEC LEXIS 1432, at *10 (June 15, 2005). The security risk that Strege poses is well known to FINRA as described herein, and the Director had previously denied Strege access to FINRA's arbitration forum after thrice concluding the safety concerns

that Strege presented were “extraordinary.” RP 9, 13. This history provided the Director with a composite picture of Strege as a continued and looming threat to FINRA’s arbitration forum and its participants as it related to Strege’s newest arbitration claims, Statements of Claim IV and V. *See Strege*, 2024 SEC LEXIS 2872, at *9 & n.13 (determining that holistic review of Strege’s “many references to mass-casualty events and murder” provided “an adequate basis for denying the use of the forum based solely on the reference to violence in the first statement of claim”).

Considering this detailed and disturbing history, the Director exercised his discretion and denied Strege use of FINRA’s arbitration forum “for the reasons explained in the February 1, 2024, letter and March 7, 2024, letter.” RP 173. As explained in the February 1, 2024, letter and March 7, 2024, letter, the Director denied Strege’s request to arbitrate Statements of Claim IV and V “to protect the safety of the arbitrators, parties and their representatives, and FINRA staff.” RP 9, 13. And the Director provided extensive detail to support his determination. RP 7-137. Both the February 1, 2024, and March 7, 2024, letters detailed Strege’s many references to mass casualty events and murder in Statement of Claim I. RP 7-17. The letters also referenced Strege’s arrest for allegedly making bomb threats to the Social Security Administration. RP 8, 12. Moreover, these letters detailed the Director’s conclusion that no physical FINRA office had sufficient security features to mitigate the safety risk posed by Strege and explained that even permitting Strege to appear remotely would not sufficiently mitigate the safety risk Strege poses to other forum participants because he would still learn identifying information about them.¹³ RP 8-9, 12-13.

¹³ Disclosure of the identity of arbitrators and other participants, including FINRA staff, is unavoidable under FINRA rules. Arbitration procedures permit parties to select arbitrators from a list that includes the arbitrators’ names, employment history for the past 10 years, and other background information. *See* FINRA Rule 12402(c)(1). Prior to the arbitration hearing, parties

[Footnote cont’d on next page]

Based on these facts, the Director reasonably determined that accepting Statements of Claim IV and V and permitting Strege’s use of FINRA’s arbitration forum would pose a safety risk to other forum participants. The Commission has explicitly found that the Director’s decision to deny the use of FINRA’s arbitration forum *based on these same facts* was in accordance with FINRA Rule 12203. *Strege*, 2024 SEC LEXIS 2872, at *9 (“The Director’s decision to deny Strege’s use of the arbitration forum was in accordance with this rule because the Director reasonably determined that accepting [Statement of Claim II] for arbitration would pose a safety risk to other forum participants, given all these facts explained above.”). Just as in the prior applications for review, here, the Director reasonably determined that Strege poses a safety risk due to troubling references in Statement of Claim I, reasonably considered Strege’s arrest for allegedly making bomb threats to the Social Security Administration when determining whether Strege poses a real safety risk, and reasonably found that no FINRA office contained adequate safety features to the mitigate safety risks posed by Strege and permitting Strege to appear remotely would not sufficiently mitigate the risk.¹⁴ *See id.* at *9-10. These facts

[cont’d]

must exchange the names and business affiliations of any witnesses they intend to present at the hearing. FINRA Rule 12514(b). It would also be impossible to maintain the anonymity of FINRA staff, who are heavily involved in coordinating and administering the arbitration process and communicate frequently with the parties. Thus, even in a remote hearing scenario, Strege would have the information to identify and locate any arbitrators, party, witness, or FINRA staff participating in the arbitration process. Therefore, the Director reasonably found that conducting a hearing remotely would not mitigate the safety risk Strege poses because Strege would still learn other participants’ identifying information and potentially be able to locate them. *See Strege*, 2024 SEC LEXIS 2872, at *10.

¹⁴ Notably, the Commission found in *Strege* even if it disregarded Strege’s arrest, it still would find the Director had “an adequate basis for denying use of the forum based solely on the references to violence in [Statement of Claim I].” *Id.* at *9 n.13. These same considerations apply here.

undoubtedly fall within the “narrow range of unusual circumstances” that authorize the Director in his discretion to exclude claims from FINRA’s arbitration forum. *Order Approving Proposed Rule Change and Amendments 1, 2, 3, and 4 to Amend NASD Arbitration Rules for Customer Disputes and Notice of Filing and Order Granting Accelerated Approval of Amendments 5, 6, and 7 Thereto*, 72 Fed. Reg. 4574, 4602 (Jan. 31, 2007) (hereinafter “*Order Approving Proposed Rule Change and to Amend NASD Arbitration Rules*”).

The Director also reasonably determined that accepting any future statement of claim from Strege would pose the same safety risk to forum participants, and that continuing to engage with Strege by sending him repeated denial of forum letters would serve only to potentially antagonize him and thereby further endanger FINRA staff. Since November 29, 2022, Strege has filed six separate statements of claim, made numerous additional filings with FINRA’s arbitration forum, and has had repeated communications with FINRA related thereto.¹⁵ His filings have increased exponentially since the Commission sustained FINRA’s earlier actions denying Strege access. Indeed, after FINRA denied Strege access with respect to Statement of Claim III on December 11, 2024, Strege made three additional filings with FINRA DRS within a 24-hour period: the “Amended Complaint”/“Motion for Reconsideration,” Statement of Claim IV, and Statement of Claim V. The successive filings, one directly after another, in response to the Director’s denial are alarming.

¹⁵ See Certified Record filed by FINRA on January 27, 2025 (No. 3-22397), <https://www.sec.gov/enforcement-litigation/administrative-proceedings/3-22397>; Certified Record filed by FINRA on January 2, 2025 (No. 3-22365), <https://www.sec.gov/enforcement-litigation/administrative-proceedings/3-22365>; Certified Record filed by FINRA on March 21, 2024 (No. 3-21880), <https://www.sec.gov/enforcement-litigation/administrative-proceedings/3-21880>; Certified Record filed by FINRA on December 21, 2022 (No. 3-21253), <https://www.sec.gov/enforcement-litigation/administrative-proceedings/3-21253>.

Equally alarming is Strege's resurrection of violent allegations in the statements of claim at issue here. For example, in Statement of Claim IV, Strege included an additional allegation that banks and brokers "exterminate" people. RP 145. By Statement of Claim V, Strege included allegations that the respondents committed violations of "Genocide Laws," "war crimes," "crimes against humanity & aggression," "assault," and "battery;" asserted "[t]he Police harass Adam its never safe to go outside rest life;" and repeated references to violent events he previously recited in Statement of Claim I (e.g., "Osama Bin Laden," "911," "Holocaust,") and in filings to the Commission (e.g., "a Billion Human Hearts in Nuclear Reactors," and "Kids that Go in the Storm Drain Tunnels"). RP 159, 163-64. This escalation in violence in Strege's filings undoubtedly factored into the Director's determination.

As the Commission previously acknowledged, "FINRA has unique knowledge of its own security measures," and the Director is in the best position to gauge FINRA's ability to guard against extraordinary security risks. *Strege*, 2024 SEC LEXIS 2872, at *8, 10. Considering the serious, ongoing, and escalating safety concerns, the Director reasonably determined that continuing to entertain future statements of claim from Strege, and having to engage with Strege in each instance, presented an extraordinary risk to FINRA staff. By notifying Strege that FINRA would not respond to any future statement of claim, the Director warded off the risk that accepting any new claims from Strege undoubtedly would pose to arbitrators, FINRA staff, or parties or their representatives, and avoids the risk of agitation that repeated denials of forum may create.

On appeal, Strege contends that he should be allowed access to FINRA's arbitration forum because his current statements of claim have "100% nothing violent." Opening br. at 10. Not only does Strege's argument mischaracterize Statements of Claim IV and V, but the

argument oversimplifies the Director's responsibility and ignores the Director's obligation to protect the forum and its participants from the ongoing risk that Strege poses. FINRA rules require the Director to engage necessarily in fact finding when deciding whether to deny the use of FINRA's arbitration forum. *Cf. Ryan William Mummert*, Exchange Act Release No. 97680, 2023 SEC LEXIS 1520, at *10-11 (June 9, 2023) (holding that the Director must engage in limited fact-finding when exercising his discretion to deny access to FINRA's arbitration forum pursuant to FINRA Rule 12203).

Only the Director has the authority to deny access to the forum, and with that authority comes great responsibility to assess the totality of the circumstances to protect FINRA's arbitration forum and its participants. The totality of the circumstances here includes Strege's many prior references to violence in Statement of Claim I, his prior arrest, and Strege's continued references to violence in other filings to the Commission.¹⁶ Thus, the Director reasonably determined that, based on the totality of the circumstances, nothing in Statements of Claim IV or V alleviated the serious safety risk that Strege presents or countered the notion that he continues to pose an ongoing safety risk.¹⁷ And just as there is no bright-line rule that the

¹⁶ See Strege's filings dated December 10, 2024, December 11, 2024, SEC Administrative Proceeding No. 3-22365, <https://www.sec.gov/enforcement-litigation/administrative-proceedings/3-22365>; Strege's filings dated February 29, 2024, June 6, 2024, July 1, 2024, August 16, 2024, and October 15, 2024, SEC Administrative Proceeding No. 3-21880, <https://www.sec.gov/enforcement-litigation/administrative-proceedings/3-21880>; and Strege's filings dated January 12, 2013, February 9, 2013, and March 13, 2023, Administrative Proceeding No. 3-21253, <https://www.sec.gov/enforcement-litigation/administrative-proceedings/3-21253>.

¹⁷ While Strege used fewer violent references in Statements of Claim IV and V relative to Statement of Claim I, his application for review and opening brief contain myriad references to murder, weapons, other violent crimes, and mass casualty events. See *supra* Part II.D. That Strege's latest filings to the Commission continue to reference violence only bolsters the Director's determination that Strege presents extraordinary and continuing safety concerns that require denial of FINRA's arbitration forum.

mention of the word “murder” in a statement of claim precludes access to FINRA’s arbitration forum, *see Strege*, 2024 SEC LEXIS 2872, at *9 n.12, there also is no bright-line rule that a statement of claim that omits violent references requires access, *see id.* at *9-10 (affirming FINRA’s denial of access to FINRA’s arbitration forum for Statement of Claim II, which omitted violent references).¹⁸

On appeal, Strege also asserts that he need not participate in person. Opening br. at 10. But as the Commission agreed, the Director reasonably determined that Strege appearing remotely would not sufficiently mitigate the safety risk he presents because he would still learn other arbitration participants’ identifying information and therefore potentially be able to locate them.¹⁹ *See id.* at *11.

In sum, the Director reasonably determined that Strege presented extraordinary safety concerns and denied Strege access to FINRA’s arbitration forum to protect the safety of

¹⁸ Strege also asserts that the Director denied him access to FINRA’s arbitration forum because he has a “Criminal Record” for a “False arrest.” Opening br. at 10-11. But as the Commission previously found, “it was reasonable for the Director to also take into account Strege’s arrest,” and “the Director had an adequate basis for denying use of the forum” even if the Commission disregarded the arrest. *See Strege*, 2024 SEC LEXIS 2872, at *9 n.13. Moreover, Strege seemingly confirms in his opening brief that his prior arrest dealt with threats he allegedly made against an administrative law judge at the Social Security Administration in a dispute related to benefits. Opening br. at 77-78. While this fact was not part of the record when the Director made his December 16, 2024, determination, it only reinforces the Director’s prior determination that the risk Strege presents is extraordinary and ongoing, especially considering the similarities between the roles of administrative law judges and FINRA arbitrators.

¹⁹ Strege also asserts FINRA’s action violates the First, Fifth, Sixth, Eighth, and Fourteenth Amendments. Opening br. at 1, 6, 13, 76, 77, 82. The Constitution, however, does not apply to FINRA, a private entity, and FINRA’s action does not meet any of the criteria for treating private conduct as state action. *See Epstein v. SEC*, 416 F. App’x 142, 148 (3d Cir. 2010) (“Epstein cannot bring a constitutional due process claim against the NASD, because the NASD is a private actor, not a state actor.”) (alterations omitted). Finally, contrary to Strege’s arguments to on appeal, FINRA did respond to the Commission’s prior remand order when the Director issued his February 1, 2024, letter. *See Strege*, 2024 SEC LEXIS 2872, at *10.

arbitrators, staff, and parties and their representatives. *See id.* The Director's exercise of his authority under FINRA Rule 12203 was necessitated by these safety concerns. Therefore, FINRA acted in accordance with its rules when denying Strege access to FINRA's arbitration forum.

2. The Director Also Properly Concluded That the Subject Matter of the Dispute Was Inappropriate

The Director's second reason for denying the forum is also in accordance with FINRA rules. FINRA Rule 12203 authorizes the Director to exclude inappropriate arbitration claims from the FINRA arbitration forum. In this regard, the Commission has stated that FINRA Rule 12203 authorizes the Director to ensure that FINRA arbitration "focus[es] on the cases that are appropriately in the forum," which "in turn, should promote the efficacy and efficiency of the arbitration." *Order Approving Proposed Rule Change and to Amend NASD Arbitration Rules*, 72 Fed. Reg. at 4602.

Here, the Director properly exercised his authority under FINRA Rule 12203 to deny access to the arbitration forum for Statements of Claim IV and V because the Director had previously denied access to the forum in Statement of III, which involved essentially the same claims related to "Max Share Size and Max Loss [settings]," the failure to assist "poor" or "disabled people," and "80 Million Refugees." RP 1-2 (Statement of Claim III); RP 145, 148-49, 155 (Statement of Claim IV), RP 160, 163 (Statement of Claim V). Although Statement of Claim V includes some additional allegations (including violation of "Genocide Laws," "war crimes," "crimes against humanity"), Statements of Claim IV and V allege the same violations of FINRA and Commission rules and the exact same federal statutes as alleged in Statement of Claim III. RP 1-2 (Statement of Claim III), RP 144 (Statement of Claim IV), RP 159 (Statement of Claim V). In addition, Strege makes the same or similar allegations against Fidelity in

Statement of Claim V as he did in Statement of Claim III, even though he did not name Fidelity as respondent in Statement of Claim III. RP 159. Moreover, Strege includes allegations against Charles Schwab, the respondent in Statement of Claim III, in Statement of Claim IV.²⁰ RP 147, 155.

Strege's attempt to circumvent the Director's prior denial of Statement of Claim III by filing additional statements of claim asserting the same misconduct is wasteful and inefficient, and therefore contrary to the purposes of FINRA and the intent of the Code of Arbitration Procedure. *See Order Approving Proposed Rule Change and to Amend NASD Arbitration Rules*, 72 Fed. Reg. at 4602-03. Under these circumstances, the Director properly concluded that the subject matter was inappropriate and separately denied Strege access to FINRA's arbitration forum for those reasons. *See Consol. Arb. Applications*, Exchange Act Release No. 3-97248, 2023 SEC LEXIS 868, at *11 (Apr. 4, 2023). Therefore, FINRA, in this regard too, acted in accordance with its rules when denying Strege access to FINRA's arbitration forum.

C. The Director's Denial of Access to FINRA's Arbitration Forum Was Consistent with the Purposes of the Exchange Act

The Director's denial of the arbitration forum was not only pursuant to FINRA Rule 12203, but it was also consistent with the purposes of the Exchange Act and the public interest.

Section 15A(b)(6) of the Exchange Act requires that, among other things, FINRA's rules "in general, . . . protect investors and the public interest." 15 U.S.C. 78o-3(b)(6). The Director's exercise of his authority under FINRA Rule 12203 achieved this goal. Allowing an arbitration to proceed when a party poses a safety threat to arbitrators, staff, or parties or their representatives

²⁰ Strege also includes a screenshot of a letter from Ameritrade, the respondent in Statement of Claim I, in Statement of Claim V. RP 167

would undermine the Exchange Act’s purpose and contravene the intent of FINRA rules. *See id.*; *Order Approving Proposed Rule Change and to Amend NASD Arbitration Rules*, 72 Fed. Reg. at 4600-02 (finding that FINRA Rules 12203 and 13203 were consistent with the Exchange Act and “designed to protect investors and the public interest”). As the Commission has found, FINRA Rule 12203 “is consistent with the Exchange Act’s purposes because it is in the public interest to protect the safety and health of the participants in FINRA’s arbitration forum.” *Strege*, 2024 SEC LEXIS 2872, at *10.

As the Commission previously noted, Strege’s filing in Statement of Claim I contained a litany of violent statements and repeated references to murder, weapons, and mass killings. *Id.* at *8, 9 & n.12. His arrest for making bomb threats against a federal agency amplifies the severity of the Director’s concerns that Strege is a potentially dangerous individual. *See id.* at *9 & n.13 (recognizing “that an arrest can be relevant in assessing the security risk posed by an individual”). As the Director explained, FINRA offices are not equipped with sufficient security measures to counter the safety risk Strege poses to forum participants and even conducting a hearing virtually would not mitigate that risk. RP 5, 8-9, 12-13, 173; *see Strege*, 2024 SEC LEXIS 2872, at *8. Nothing in Strege’s Statements of Claim IV or V countered the Director’s assessments that Strege poses an ongoing safety risk.

Thus, the Director’s decision to deny Strege use of the forum to arbitrate Statements of Claim IV and V, and any future statement of claim, “to protect the health and safety of users and administrators of the forum” was a quintessential “emergency situation” and is consistent with the principles of investor protection and the public interest because investors, members and their associated persons, and regulators all share a common interest in having a safe forum in which to resolve their disputes. *Order Approving Proposed Rule Change and to Amend NASD Arbitration*

Rules, 72 Fed. Reg. at 4602. The Director’s exercise of his authority under FINRA Rule 12203 therefore was consistent with the Exchange Act purposes because it is in the public interest to protect the safety and health of the participants in FINRA’s arbitration forum after the Director determined Strege poses a safety risk to other forum participants and FINRA staff. *Strege*, 2024 SEC LEXIS 2872, at *10-11.

The Director also properly exercised his authority under FINRA Rule 12203 to deny the forum for Statements of Claim IV and V on the grounds that the subject matter is inappropriate for arbitration. Allowing a claimant to file successive statements of claim alleging the same misconduct when FINRA has previously denied the claimant access to the forum for those claims would result in a waste of FINRA’s resources and misuse of the arbitration forum. As the Commission has explained, giving FINRA the power to deny access to its arbitration forum “allow[s] it to focus on the cases that are appropriately in the forum,” which “in turn, should promote the efficacy and efficiency of the arbitration forum in processing its claims.” By “enhanc[ing] the effectiveness of the arbitration process,” the public interest and the protection of investors are thus served. *Order Approving Proposed Rule Change and to Amend NASD Arbitration Rules*, 72 Fed. Reg. at 4602. The Director’s application of FINRA Rule 12203 here preserves the efficiency and effectiveness of FINRA’s arbitration forum and was therefore consistent with these purposes. *See Consol. Arb. Applications*, 2023 SEC LEXIS 868, at *20.

In sum, the Director’s action denying Strege access to FINRA’s arbitration forum was consistent with the purposes of the Exchange Act, the principles of investor protection, and the public interest.

IV. CONCLUSION

The record demonstrates persuasively that Strege continues to pose an extraordinary safety threat to arbitrators, staff, and parties and their representatives. FINRA acted in accordance with FINRA Rule 12203 and consistent with the Exchange Act's purposes when the Director denied Strege access to FINRA's arbitration forum based on his determination that Strege poses a safety risk to other forum participants and the subject matter of his claims is inappropriate. Accordingly, the Commission should dismiss Strege's application for review.

Respectfully submitted,

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May 7, 2025

CERTIFICATE OF COMPLIANCE

I, Megan Rauch, certify that this Brief in Opposition to the Application for Review (File No. 3-22397) complies with the length limitations set forth in SEC Rule of Practice 450(c). I have relied on the word count feature of Microsoft Word in verifying that this brief contains 9,959 words.

I further certify that I have complied with the Commission's Rules of Practice by filing a brief that omits or redacts any sensitive personal information described in Rule of Practice 151(e).

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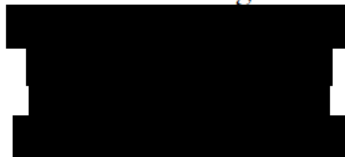
CERTIFICATE OF SERVICE

I, Megan Rauch, certify that on this 7th day of May 2025, I caused a copy of the foregoing FINRA's Brief in Opposition to the Application for Review, In the Matter of Adam Strege, Administrative Proceeding File No. 3-22397, to be filed through the SEC's eFAP system on:

Vanessa Countryman, Secretary
Securities and Exchange Commission
100 F Street, NE
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and served by electronic mail on:

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