SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

SECURITIES EXCHANGE ACT OF 1934
Release No. 104273 / November 28, 2025

Admin. Proc. File No. 3-20209

In the Matter of the Application of

ROBBI J. JONES and KIPLING JONES & CO., LTD.,

For Review of Disciplinary Action Taken by

FINRA

OPINION OF THE COMMISSION

REGISTERED SECURITIES ASSOCIATION—REVIEW OF DISCIPLINARY PROCEEDING

FINRA found that a former member firm and its owner were liable for maintaining inaccurate books and records and for filing materially inaccurate FOCUS reports. FINRA also found that the firm's owner provided inaccurate and misleading information, documents, and testimony to FINRA staff, and refused to respond to questions asked during on-the-record testimony. *Held*, FINRA's findings of violations and sanctions are *sustained*.

APPEARANCES:

William B. Mack and *Matthew P. Hoxsie*, of Greenberg Traurig, LLP, for Robbi J. Jones and Kipling Jones & Company, Ltd.

Michael Garawski, *Alan Lawhead*, *Michael Smith*, and *Colleen Durbin*, for FINRA.

Appeal filed: January 19, 2021
Last brief received: June 15, 2021

Kipling Jones & Company, Ltd. ("KJC"), a former FINRA member, and Robbi J. Jones, the firm's owner and chief executive officer (together, "Applicants"), seek review of FINRA disciplinary action.[1] FINRA found that KJC violated Section 17(a) of the Securities Exchange Act of 1934 and Exchange Act Rules 17a-3 and 17a-5, and that KJC and Jones violated FINRA Rules 4511 and 2010, by creating and maintaining inaccurate books and records and by filing materially inaccurate Financial and Operational Combined Uniform Single Reports ("FOCUS reports"). FINRA found that Jones also violated FINRA Rules 8210 and 2010 by providing false and misleading information to FINRA and by refusing to respond to FINRA staff's questions during her on-the-record testimony. For these violations, FINRA imposed a $38,000 fine against KJC and barred Jones from associating with a FINRA member firm in any capacity.[2] FINRA also determined that, because KJC's Exchange Act violations were willful, the firm was subject to a statutory disqualification.

Applicants challenge the sanctions imposed and contend that FINRA's proceedings were constitutionally defective. We sustain FINRA's findings of violations and sanctions.

I. Background

Jones entered the securities industry in 1991 and registered as a municipal securities representative. Jones later registered as a municipal securities principal and general securities representative and principal. After associating with five other FINRA member firms, Jones formed KJC, which registered as a broker-dealer in late 2007.[3] Jones served as the president, chief executive officer, chief compliance officer, and financial and operations principal ("FINOP") of KJC, with which she was associated until December 2020. KJC, a small firm based in Houston, Texas, was registered with the Commission as a broker-dealer and municipal advisor and is a former FINRA member.[4] KJC focused on providing municipal advisory services.

A. Jones purchased certificates of deposit to increase KJC's reported net capital.

In 2011, Jones sought to increase the amount of net capital that KJC reported in its fourth-quarter FOCUS report. She did so by purchasing a $70,000 one-year certificate of deposit

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1 *Dep't of Enf't v. Jones*, Complaint No. 2015044782401 (NAC Dec. 17, 2020).

2 FINRA also ordered that Applicants pay, jointly and severally, hearing costs of $13,914.58 and appeal costs of $1,573.34.

3 *See* Kipling Jones & Co., Ltd. 8, BrokerCheck, *available at* https://brokercheck.finra.org/firm/summary/144730; Robbi Julene Jones 1, BrokerCheck, *available at* https://brokercheck.finra.org/individual/summary/1797418. We take official notice of these BrokerCheck reports pursuant to Commission Rule of Practice 323. 17 C.F.R. § 201.323.

4 KJC's registration with the Commission ended in June 2021.

("CD No. 0331") from Commonwealth National Bank ("CNB") on December 30, 2011.[5] To fund the CD's purchase, Jones took out a personal loan from the same bank, pledging the CD as collateral and signing a promissory note next to a warning that it was "separately secured" by CD No. 0331.

Because the promissory note was in Jones's name, CNB's president told her that the CD also needed to be in her name. CD No. 0331 was issued to both Jones and KJC. Once it was purchased, KJC immediately began reporting the CD as an allowable asset in its net capital computation. It did so despite Exchange Act rules providing that a broker-dealer cannot include the value of certain non-allowable illiquid assets—including pledged assets—when calculating its net capital.[6]

CD No. 0331 automatically renewed for another year on December 30, 2012, at which point Jones signed another promissory note warning her that the CD was pledged as security for the renewed promissory note.

On October 28, 2013, CNB notified Jones that the note she had used to purchase CD No. 0331 would mature on December 30, 2013, and that Jones could either pay the note's balance in full or renew it again. Jones waited until early February 2014 to attempt to renew the note—nearly two months after its maturity date—but did not provide CNB with the proof of income required for renewal. On February 19, 2014, CNB warned Jones via letter that the promissory note had expired and that if Jones did not renew it by February 21, the bank would deem the loan in default and use CD No. 0331 to pay off the balance. CNB mailed the letter by certified mail to the KJC address in its files, which was the same address KJC listed on the FOCUS report it filed in April 2014. Jones contends that she did not receive CNB's letter, as KJC had moved, though Jones also testified that she continued receiving mail sent to KJC's previous address.

After Jones did not respond, on March 5, 2014, CNB used CD No. 0331 to pay off the promissory note's balance. CNB did not provide KJC or Jones with a written notice of the cancellation, and KJC continued to show CD No. 0331 as an existing asset in its general ledger, balance sheets, trial balances, and as an allowable asset in its monthly FOCUS reports, until December 2014.

B. FINRA placed KJC on heightened supervision after Jones caused KJC to improperly report two earlier pledged CDs as allowable assets.

CD No. 0331 was not the first CD that KJC improperly listed as an allowable asset. In November 2011, shortly before Jones purchased CD No. 0331, FINRA initiated a 2012 cycle

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[5] As a broker-dealer, KJC was required to keep records of, among other things, the firm's net capital calculations, *i.e.*, the minimum level of highly liquid assets that a firm must maintain. *See generally Net Capital Rule*, Exchange Act Release No. 38248, 1997 WL 46860, at *2 (Feb. 6, 1997), 62 Fed. Reg. 6,474, 6,475 (Feb. 12, 1997) (explaining purpose of that rule); 17 C.F.R. § 240.15c3-1 (setting forth net capital requirements for brokers and dealers).

[6] *See* 17 C.F.R. § 240.15c3-1.

examination of KJC's financials. During that review, FINRA concluded that KJC had improperly listed as allowable assets two CDs that Jones had pledged in support of loans obtained in 2007 and 2010. As a result, in April 2013, FINRA placed the firm on heightened supervision.

KJC and its independent auditor attributed the wrongful reporting of the CDs to Jones's failure to communicate to KJC's chief financial officer that the CDs had been pledged as collateral. Jones eventually represented to FINRA in April 2013 that, although she had been "unclear as to her responsibility to notify the CFO of the pledging of the CDs," she had since become aware and successfully completed the Series 28 (Introducing Broker-Dealer Financial and Operations Principal) exam "to better understand the financial reporting requirements for [KJC]." Jones further represented that, "to increase transparency of [KJC's] assets, CDs will no longer be used as capital." But Jones did not inform FINRA that KJC was currently including another pledged CD—CD No. 0331—in the firm's net capital calculation.

C. The City of Houston investigated Jones's use of a city credit card to purchase airplane tickets.

KJC served as a financial advisor to the City of Houston and, in connection with that work, Jones engaged in travel for which Houston reimbursed KJC. In May 2013, the Houston Office of the Controller ("Controller's Office") began investigating Jones's suspected use of a city credit card to purchase airline tickets for personal travel (the "Houston Investigation"). While reconciling credit card charges, the Controller's Office discovered purchases of two Southwest Airlines ("Southwest") tickets—a roundtrip flight between Houston and Birmingham, and a one-way flight from Chicago to Houston—where Jones was identified as the passenger. When the Controller's Office asked Jones for documentation of expenses she incurred for this travel, Jones provided documentation for two different flights.

The matter was referred to Houston's Office of the Inspector General ("OIG") for further investigation. Jones testified during her on-the-record interview in FINRA's disciplinary hearing that the OIG initially questioned her about five sets of flights but eventually focused on the Birmingham and Chicago flights noted above. Jones testified that she informed the OIG that she had used her mother's credit card—not the city's credit card—to buy those tickets.

On June 16, 2014, Houston's OIG sent a letter to Jones stating that it had completed its investigation and concluded that she was responsible for the unauthorized use of the city's credit card to purchase tickets for herself for non-city business on the Birmingham and Chicago flights.

D. FINRA conducted a 2014 cycle examination of KJC.

1. FINRA requested information relating to CD No. 0331.

In November 2014, FINRA began a scheduled 2014 cycle examination of KJC. In response to a FINRA request, Jones provided FINRA with the firm's general ledger for September 2014 and a balance sheet and trial balance as of September 30, 2014, all of which identified CD No. 0331 as an asset with an accrued balance of $70,313.09 as of September 30, 2014. This amount corresponded to the total value of securities that KJC reported as allowable

assets on its September 30, 2014, FOCUS report. At FINRA's request, Jones later provided FINRA with KJC's general ledger for January 2012 through October 2014, which similarly listed CD No. 0331 as a firm asset as of December 30, 2013.

On December 11 and 15, 2014, FINRA emailed Jones about documents it was still seeking, including support for the reported balance of CD No. 0331 as of September 30, 2014. Jones replied on December 18, claiming that CNB could not provide a statement supporting what KJC's records showed the CD's balance to be. Shortly thereafter, Jones forwarded a screenshot dated January 27, 2014—from nearly a year earlier—showing the balance of CD No. 0331 on certain dates from December 2011 through December 2013, but not as of September 30, 2014.

On December 26, 2014, FINRA again emailed Jones about its outstanding requests and asked for information about the early withdrawal penalty for CD No. 0331. Jones replied that she was trying to get the information from CNB. When Jones did not subsequently respond, FINRA repeatedly emailed Jones about the outstanding items. FINRA also asked to speak with Jones, explaining that her "lack of response to record requests is hindering this process."

On December 30, 2014, while FINRA's requests were pending, Jones obtained a new loan from CNB to purchase another $70,000 CD, this time with a two-year maturity ("CD No. 0577"). Again, the loan was secured by the CD it was used to purchase. Jones immediately began including CD No. 0577 in KJC's net capital computation.

On January 16, 2015, Jones emailed FINRA staff that, "instead of rolling [CD No. 0331] over another year, [she had] requested a two-year maturity." Jones added that, because the CDs had different maturities, CD No. 0331 "was technically cancelled" and that she was "attach[ing] the paperwork for the 'new' CD [No. 0577]" (though she did not attach that paperwork). FINRA responded that it was still seeking information about CD No. 0331. FINRA emailed Jones additional reminders on January 21, January 27, January 30, and February 3, 2015, and made multiple calls about the pending requests.

After Jones failed to respond, on February 6, 2015, FINRA sent Jones an information and document request pursuant to FINRA Rule 8210.[7] Jones replied, acknowledging the outstanding information requests, and attributing the delays to personal reasons. Because Jones did not substantively respond, FINRA sent additional Rule 8210 requests on February 13 and February 24. When Jones provided documentation about CD No. 0577, FINRA reminded Jones that they were requesting information for CD No. 0331.

On March 4, 2015, Jones notified FINRA that she would be sending CNB a letter asking for the information requested by FINRA. Over the next few days, Jones provided FINRA with additional documentation for CD No. 0577 and claimed CNB was having technical difficulties and that she needed to revise her letter to CNB to obtain CD No. 0331 information. FINRA subsequently emailed repeated requests for the still outstanding information. On March 10,

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[7] *See* FINRA Rule 8210(a) (requiring associated persons to provide specified information, testimony, and documents as "to any matter involved in [a FINRA] investigation[] . . . [or] examination").

Jones responded that she expected to receive the information from CNB the following day, March 11. On March 13, Jones emailed FINRA that she had not yet received a response from CNB. FINRA asked Jones for an update on March 16, but she did not respond.

On March 18, 2015, FINRA issued KJC a "Notice of Current Net Capital Deficiency Identified by FINRA," stating that the firm had not provided adequate documentation to verify CD No. 0331's reported balance or to support its classification as an allowable asset.

2. FINRA requested information relating to the Houston Investigation.

During the same cycle examination, FINRA became aware that Jones, through KJC, had retained an attorney in connection with the Houston Investigation. FINRA subsequently asked Jones to provide relevant documentation about the investigation, including a signed statement from Jones detailing the investigation, a letter from Jones's attorney confirming the outcome, and all documentation from the city. Jones provided FINRA with only a letter from her attorney stating that Jones "was cleared of any wrongdoing."

In its February 6 and February 13, 2015 Rule 8210 request letters discussed above, FINRA also sought the still outstanding written statement from Jones explaining the Houston Investigation. Jones responded with two signed statements, each dated February 13. Neither discussed the Birmingham and Chicago flights on which the Houston Investigation had ultimately focused. And in one of the statements, Jones inaccurately represented that the investigation focused on two different trips. After FINRA asked for additional detail, Jones provided a letter that she had purportedly sent to Southwest requesting credit card information and a copy of a receipt for a Southwest flight.

In March 2015, Jones emailed a FINRA examiner, stating she had been unable to provide documents in response to outstanding requests because there had been a death in the family. The examiner called Jones and asked if it was her mother who had died; Jones responded that it was.

E. Jones participated in an on-the-record interview and refused to answer certain questions from FINRA staff.

On March 30, 2015, FINRA requested that Jones appear at an on-the-record interview ("OTR") pursuant to FINRA Rule 8210. Jones appeared for the OTR on May 8, 2015, where she denied using CD No. 0331 and CD No. 0557 as collateral for any loans. Jones also testified that CD No. 0331 was renewed at the end of 2013 as a two-year instrument.

When asked about the Houston Investigation, Jones testified that the Controller's Office initially asked about five flights, but then focused on the Birmingham and Chicago tickets—which Jones claimed she had purchased with her mother's credit card. When Jones testified that she and her mother both tried to obtain her mother's credit card statements to support that claim, FINRA staff asked Jones if her mother was still alive given her earlier statement to an examiner that her mother had died. Jones refused to answer, stating that she did not "want to answer any personal questions." Jones nevertheless added that, "[d]uring the time that that was going on [her mother] was absolutely 100 percent" alive. After FINRA staff explained that they were trying to determine whether her mother could request account statements from the credit card

issuer, Jones still refused to answer. After taking a recess, Jones's attorney stated on the record that he had tried to persuade Jones to answer the question, but she refused.

F. Jones provided additional information to FINRA after her OTR.

On June 15, 2015, FINRA issued another Rule 8210 request to counsel for Jones and KJC seeking additional information about the cancellation of CD No. 0331 by June 22. Counsel responded, on June 30, that Jones had applied for an unsecured loan and did not recall giving CNB authority to use CD No. 0331 as collateral. Counsel indicated that Jones would not have pledged the CD as collateral "because she knew that she could not then use the CD to meet her capital requirements for her firm." Counsel claimed that Jones first learned that CNB had used the CD to satisfy the loan during a meeting with the CNB president in March 2015, and that, because Jones had been unaware the bank had used the CD to pay off the loan, Jones had made loan payments during 2014. Counsel further claimed that Jones met with the CNB president in June 2015 to obtain documents relating to the CD, but that the president had not provided those documents and had stopped returning her and her counsel's calls.

In August 2015, nearly five months after her OTR, Jones left two voicemail messages for the examiner, apologizing for answering "in an untruthful manner" when asked if her mother had died. Jones explained that she was "overwhelmed with all the FINRA things" and thought she could "get some more time."

II. Procedural History

On April 24, 2017, FINRA's Department of Enforcement ("Enforcement") filed a complaint against Jones and KJC alleging four categories of misconduct:

1. Jones and KJC maintained inaccurate books and records and filed materially inaccurate FOCUS reports that inflated KJC's reported net capital by improperly treating CD No. 0331 as an allowable asset and listing it as an asset after it was cancelled;

2. Jones made misrepresentations to FINRA staff about CD No. 0331, the Houston Investigation, and her mother's death during the 2014 cycle examination;

3. Jones provided false and misleading information, documents, and testimony about CD No. 0331 and the Houston Investigation in response to FINRA's Rule 8210 requests for information; and

4. Jones refused to answer questions at her OTR about her mother's purported death.

For the first category of misconduct, the complaint alleged that KJC and Jones violated FINRA Rules 4511 and 2010 and that KJC willfully violated Section 17(a) of the Exchange Act and Exchange Act Rules 17a-3 and 17a-5. For the second category, the complaint alleged that Jones violated FINRA Rule 2010. For the third and fourth categories, the complaint alleged that Jones violated FINRA Rules 8210 and 2010.

After a five-day hearing that included testimony from Jones and seven other witnesses, a Hearing Panel found KJC and Jones liable for books and records violations and for filing materially inaccurate FOCUS reports. The Hearing Panel further found that Jones was liable for providing false and misleading information to FINRA and refusing to respond to questions during her OTR testimony.[8] The Hearing Panel also determined that KJC acted willfully with respect to the books and records violations, thus subjecting the firm to a statutory disqualification.[9]

For the books and records violations, the Hearing Panel fined KJC $38,000; fined Jones $35,000; suspended Jones from associating with any FINRA member firm in any capacity for two years; and barred Jones from associating with any FINRA member firm in any supervisory or principal capacity. For the other violations, the Hearing Panel fined Jones $35,000 and suspended her from associating with any FINRA member firm in any capacity for two years.

Jones and KJC appealed to FINRA's National Adjudicatory Council ("NAC"), where they challenged only the severity of the sanctions imposed by the Hearing Panel. After independently reviewing the record, the NAC affirmed the Hearing Panel's findings of violations, including that the firm willfully violated the Exchange Act, thus subjecting the firm to a statutory disqualification. It also sustained the $38,000 fine against KJC for its books and records violations but determined that Jones's misconduct warranted more significant sanctions. The NAC therefore barred her in all capacities for her books and records violations and also barred her for her false and misleading responses to FINRA's requests for information and her refusal to answer questions.

This appeal followed.

III. Analysis

We review FINRA disciplinary action to determine (1) whether an applicant engaged in the conduct FINRA found, (2) whether that conduct violated the rules specified in FINRA's determination, and (3) whether those rules are, and were applied in a manner, consistent with the

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[8] In finding Applicants liable, the Hearing Panel set aside for lack of evidence certain allegations against Jones, including that: Jones knew or should have known that her attorney's December 2014 letter had mischaracterized the Houston Investigation, and Jones had made specific false or misleading statements in her testimony and written responses.

[9] *See* 15 U.S.C. § 78c(a)(39)(F) (stating that a person is subject to a statutory disqualification if, among other things, that person has committed any act enumerated in Section 15(b)(4)(D), which refers, among other things, to willful violations of the Exchange Act); *Meyers Assocs., L.P.*, Exchange Act Release No. 86497, 2019 WL 3387091, at *11 (July 26, 2019) (explaining that, for purposes of Section 78c(a)(39)(F), a "person" is defined to include a company) (citing 15 U.S.C. § 78c(a)(9)).

purposes of the Exchange Act.[10] Our review is de novo and we apply a preponderance of the evidence standard.[11]

A. Applicants have forfeited any arguments on the merits.

At the outset, we note that Applicants do not challenge FINRA's findings of violations; they challenge only the sanctions imposed. Similarly, Applicants appealed only the Hearing Panel's sanctions determination to the NAC. Although we therefore find those merits arguments forfeited,[12] we nevertheless independently evaluate the support for FINRA's findings of violations before considering the appropriateness of the sanctions imposed, consistent with the Commission's statutory review function.[13]

B. KJC violated Exchange Act Section 17(a) and Exchange Act Rules 17a-3 and 17a-5, and both Applicants violated FINRA Rules 4511 and 2010, by maintaining inaccurate books and records and filing inaccurate FOCUS reports.

Exchange Act Section 17(a)(1) requires broker-dealers to "make and keep for prescribed periods such records . . . and make and disseminate such reports" as prescribed by rule.[14] In turn, Exchange Act Rule 17a-3(a)(2) requires broker-dealers to "make and keep current . . . [l]edgers (or other records) reflecting all assets and liabilities, income and expense and capital accounts."[15] Rule 17a-3(11) requires broker-dealers to make and keep current, on a monthly basis, a "record of the proof of money balances of all ledger accounts in the form of trial balances and a record of the computation of aggregate indebtedness and net capital, as of the trial

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10 15 U.S.C. § 78s(e)(1)(A).

11 *Richard G. Cody*, Exchange Act Release No. 64565, 2011 WL 2098202, at *9 (May 27, 2011), *aff'd*, 693 F.3d 251 (1st Cir. 2012).

12 *See Canady v. SEC*, 230 F.3d 362, 362–63 (D.C. Cir. 2000) (upholding Commission's conclusion that respondent "waived [a] defense by failing to argue it"); *MFS Sec. Corp. v. SEC*, 380 F.3d 611, 621 (2d Cir. 2004) (finding "valid" the Commission's routine application of "an exhaustion requirement in its review of disciplinary actions by [self-regulatory organizations]"); *see also Stephen Russell Boadt*, Exchange Act Release No. 32095, 1993 WL 365355, at *2 (Sept. 15, 1993) (explaining that the Commission was "not required to consider" objection that applicant "failed to present . . . to the District Committee at a time when it could have been remedied").

13 15 U.S.C. § 78s(e)(1)(A) (specifying that the Commission may affirm a self-regulatory organization's disciplinary sanction only if it finds that the applicant "engaged in such acts or practices, or has omitted such acts, as the self-regulatory organization has found him to have engaged in or omitted"; that such actions or omissions violate the relevant provisions or rules; and that the application of those provisions or rules was consistent with the purposes of the Exchange Act).

14 15 U.S.C. § 78q(a)(1).

15 17 C.F.R. § 240.17a-3(a)(2).

balance date."[16] Rule 17a-5(a)(2)(iii) further requires broker-dealers such as KJC to file quarterly FOCUS reports.[17] Implicit in these requirements is that the records and reports be accurate.[18] Scienter is not required to violate these provisions.[19]

FINRA Rule 4511 requires that members and associated persons "make and preserve books and records as required under the FINRA rules, the Exchange Act and the applicable Exchange Act rules."[20] Scienter is not required to violate this rule.[21] FINRA Rule 2010 further requires members and associated persons, in the conduct of their business, to "observe high standards of commercial honor and just and equitable principles of trade."[22] A violation of Commission and FINRA rules and regulations governing recordkeeping requirements also *per se* constitutes a violation of Rule 2010.[23]

Here, the record establishes, and Applicants do not dispute, that KJC violated the above provisions by maintaining inaccurate books and records and by filing inaccurate FOCUS reports

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16 17 C.F.R. § 240.17a-3(11).

17 17 C.F.R. § 240.17a-5(a)(2)(iii). In February 2020, the regulation governing FOCUS report filings was amended and, as part of those changes, Rule 17a-5(a)(2)(iii) was redesignated without any substantive changes as Rule 17a-5(a)(1)(iii). *See Recordkeeping and Reporting Requirements for Security-Based Swap Dealers, Major Security-Based Swap Participants, and Broker-Dealers*, Exchange Act Release No. 87005, 84 Fed. Reg. 68,550, 68,572 & n.249, 68,652 (Dec. 16, 2019).

18 *Meyers Assocs.,* 2019 WL 3387091, at *10 & n.77 (collecting cases); *see also Sinclair v. SEC*, 444 F.2d 399, 401 (2d Cir. 1971) (stating that there is "an obligation" under Section 17(a) that "voluntarily suppl[ied]" information "be truthful").

19 *Orlando Joseph Jett*, Exchange Act Release No. 49366, 2004 WL 2809317, at *23 (Mar. 5, 2004) ("Scienter is not required to violate Exchange Act Section 17(a)(1) and the rules thereunder.").

20 FINRA Rule 4511(a) (applying to members); *see also* FINRA Rule 0140(a) (providing that FINRA's rules "shall apply to all members and persons associated with a member" and that "[p]ersons associated with a member shall have the same duties and obligations as a member under the Rules").

21 *Mitchell H. Fillet*, Exchange Act Release No. 75054, 2015 WL 3397780, at *12 (May 27, 2015) (finding that NASD Rule 3110, the predecessor to FINRA Rule 4511, has no scienter requirement).

22 FINRA Rule 2010; *see also* FINRA Rule 0140(a) (described in *supra* note 20).

23 *See, e.g.*, *Bruce Zipper*, Exchange Act Release No. 90737, 2020 WL 7496222, at *11, 13 (Dec. 21, 2020) (explaining that it is a "long-standing and judicially-recognized policy" that a "violation of another FINRA rule," including FINRA's books-and-records rule, "itself constitutes a violation of FINRA Rule 2010"); *see also Katz v. SEC*, 647 F.3d 1156, 1158 n.2 (D.C. Cir. 2011) (recognizing that a violation of a self-regulatory organization or Commission rule "also automatically constitutes" a violation of a self-regulatory organization's prohibition against engaging in conduct inconsistent with just and equitable principles of trade).

with the Commission. Specifically, KJC failed to record the cancellation of CD No. 0331 in the firm's general ledger, trial balance, balance sheet, and FOCUS reports. KJC also filed FOCUS reports between April 2014 and July 2015 that improperly reported the CD as an allowable asset despite the fact that CNB had cancelled the CD before then and that Jones had pledged the CD as collateral for a personal loan.

The record also shows, and Applicants do not dispute, that Jones herself violated FINRA Rules 4511 and 2010. In her answer, Jones admitted that she was KJC's FINOP during the relevant time period and that KJC's written supervisory procedures designated the FINOP as the person responsible for preparing and maintaining the firm's books and records. Moreover, according to Jones's OTR and hearing testimony, Jones gave the paperwork for CD No. 0331 to a KJC staff member to include in KJC's books and records, but did not give him the paperwork for the promissory note that she had executed or otherwise inform him that the CD was pledged. By providing KJC with inaccurate information to include in its books and records, Jones violated FINRA Rules 4511 and 2010.[24]

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The above provisions that Applicants violated are, and were applied in a manner, consistent with the Exchange Act's purposes of protecting investors and the public interest because they "require that member firms conduct their business operations with regularity and that their records accurately reflect those operations."[25] The requirement that books and records be accurate ensures that the Commission and self-regulatory organizations can effectively monitor brokers to protect the public interest.[26] Accurate books and records also help a firm's own managers and auditors monitor the firm's activities. Because KJC's books and records and FOCUS reports were inaccurate, FINRA's application of these provisions in this case was consistent with the Exchange Act's purposes.[27]

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[24] *See, e.g.*, *Fox & Co. Invs., Inc.*, Exchange Act Release No. 52697, 2005 WL 2848468, at *8 (Oct. 28, 2005) (finding that firm's principal owner, president, and FINOP violated predecessors to FINRA Rules 4511 and 2010 by "failing to provide an accurate statement of the Firm's trial balances and net capital computations").

[25] *Meyers Assocs.*, 2019 WL 3387091, at *10 (cleaned up).

[26] *See Edward J. Mawod & Co.*, Exchange Act Release No. 13512, 1977 WL 187427, at *5 n.39 (May 6, 1977) (stating recordkeeping requirements are "a keystone of the surveillance of brokers and dealers by our staff and by the security industry's self-regulatory bodies").

[27] *See Zipper*, 2020 WL 7496222, at *15 (finding FINRA's application of Section 17(a), Rule 17a-3, and FINRA Rules 4511 and 2010 was consistent with the Exchange Act's purposes where the applicant maintained inaccurate books and records).

C. Jones violated FINRA Rules 8210 and 2010 by providing inaccurate and misleading information, documents, and testimony, and refusing to answer questions during her OTR.

FINRA Rule 8210 is the principal means by which FINRA obtains information from its member firms and their associated persons.[28] This rule provides that no FINRA member or associated person shall "fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts" in response to a request by FINRA.[29] We have held that failing to provide full and prompt cooperation with a Rule 8210 request, or providing false or misleading information, violates Rule 8210.[30] And, as discussed above, violating another Commission or FINRA rule, such as Rule 8210, also violates Rule 2010.[31] Similarly, providing false or misleading information during a FINRA examination also violates FINRA Rule 2010.[32]

Here, Jones violated Rule 2010 by providing false and misleading information to FINRA during the 2014 cycle examination. Jones falsely told a FINRA examiner that her mother died.[33] As FINRA found, Jones knew that her statement was false and later admitted in voicemails to the examiner that she had lied about her mother's death so that she could "get some more time" to respond to FINRA's inquiries. Jones further misled FINRA staff by repeatedly claiming that she was seeking proof of CD No. 0331's balance but failing to inform them that she was aware of facts indicating that the CD had been cancelled.

Jones further violated Rules 8210 and 2010 by falsely testifying that CD No. 0331 was never pledged as collateral.[34] As discussed in further detail below, Jones knew that she had pledged the CD against her personal loan, so her testimony to the contrary violated FINRA's prohibition against providing false or misleading information.

Jones also violated Rules 8210 and 2010 by omitting information about the Birmingham and Chicago flights when responding to FINRA's Rule 8210 requests to explain the Houston

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28 *See, e.g.*, *Charles C. Fawcett, IV*, Exchange Act Release No. 56770, 2007 WL 3306105, at *6 & n.29 (Nov. 8, 2007) (describing the purpose of Rule 8210).

29 FINRA Rule 8210(c).

30 *See Trevor Michael Saliba*, Exchange Act Release No. 91527, 2021 WL 1336324, at *13 & n.25 (Apr. 9, 2021).

31 *See, e.g.*, *Merrimac Corp. Sec., Inc.*, Exchange Act Release No. 86404, 2019 WL 3216542, at *2 (July 17, 2019).

32 *David Adam Elgart*, Exchange Act Release No. 81779, 2017 WL 4335050, at *7 & n.32 (Sept. 29, 2017) (affirming FINRA's finding that providing false information in response to a request received during an examination violates Rule 2010).

33 *See, e.g.*, *id.* at *7 (finding that applicant's "dishonesty in answering falsely" violated Rule 2010 because the "provision of false information to FINRA is inconsistent with just and equitable principles of trade").

34 *See, e.g.*, *Saliba*, 2021 WL 1336324, at *13 (holding that Saliba violated Rules 8210 and 2010 by providing false testimony during his OTR).

Investigation. Instead of providing a complete explanation of the Houston Investigation, Jones provided two incomplete written responses that misleadingly omitted information about the two flights that she knew were the investigation's focus.[35] In one of the two responses, she also affirmatively falsely identified two different flights as the relevant "trips in question." We reject Jones's argument that her responses were merely incomplete and that she supplemented her responses after receiving clarification from FINRA staff. Although an incomplete response can violate Rules 8210 and 2010,[36] Jones's responses to FINRA's requests for information were not just incomplete. Instead, the responses misled FINRA about the investigation's very subject. Jones did not correct her misleading responses until three months later, when she admitted during her May 2015 OTR that the two "really problematic" flights on which the Houston Investigation focused were the Birmingham and Chicago flights.

Jones again violated Rules 8210 and 2010 by refusing to answer questions regarding her mother during her OTR testimony.[37] Jones put her mother (and her mother's health) at issue by claiming during the OTR (1) that she had used her mother's credit card to buy the tickets for the flights that were the subject of the Houston Investigation and (2) that she and her mother had attempted to obtain her mother's credit card statements to explain the flight purchases to the OIG. Given Jones's earlier statement to a FINRA examiner that her mother had died, FINRA staff reasonably sought to clarify whether Jones's mother could obtain those credit card statements or otherwise substantiate Jones's claims. Instead, by refusing to answer FINRA staff's questions, Jones prolonged and distracted FINRA's examination, regardless of whether the refusal ultimately impeded the results of that examination.[38] Applicants also claim that

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35 *Cf. id.* at *16–17 (finding that applicant violated Rules 8210 and 2010 by producing only one computer in response to a request for any and all computers used for his business, where applicant had also used at least one other computer).

36 *See, e.g.*, *North Woodward Fin. Corp.*, Exchange Act Release No. 74913, 2015 WL 2151765, at *5 (May 8, 2015) (finding that applicant violated Rules 8210 and 2010 by providing an incomplete response to FINRA's requests for information).

37 *See, e.g.*, *Bradley C. Reifler*, Exchange Act Release No. 94026, 2022 WL 194504, at *6–8 (Jan. 21, 2022) (holding that the applicant's refusal to answer questions during OTR testimony violated Rules 8210 and 2010).

38 *Cf. Keilen Dimone Wiley*, Exchange Act Release No. 76558, 2015 WL 7873431, at *9 (Dec. 4, 2015) (concluding that "blatantly misleading" answer during an OTR did not excuse applicant's failure to comply with Rule 8210, despite applicant's argument that his answer was so obviously false that it did not impede FINRA's investigation).

Jones's counsel advised her that such questions were improper, but in fact her counsel stated at the OTR that he had tried to convince Jones to address the questions about her mother, but she refused.

* * *

We find that the provisions Applicants violated are, and were applied in a manner, consistent with the Exchange Act's purposes because Jones's misleading and inaccurate statements and failure to respond to questions during her OTR hampered FINRA's ability to conduct the cycle examination and determine whether Applicants had violated Commission or FINRA rules.[39]

IV. Sanctions

Exchange Act Section 19(e)(2) directs us to sustain FINRA's sanctions unless we find, having due regard for the public interest and the protection of investors, that the sanctions are excessive or oppressive or impose an unnecessary or inappropriate burden on competition.[40] We consider any aggravating or mitigating factors, as well as whether the sanctions serve remedial, not punitive, purposes.[41] Although they are not binding on us, FINRA's Sanction Guidelines serve as a benchmark in our review.[42] For the reasons below, we sustain the sanctions imposed by FINRA.

A. We sustain FINRA's fine and bar for Applicants' books and records-related violations.

FINRA fined KJC $38,000 and barred Jones in all capacities for Applicants' books and records-related violations.[43] In doing so, FINRA appropriately applied its guidelines for recordkeeping violations, falsification of records, and filing false FOCUS reports because, as

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[39] *Cf. Merrimac*, 2019 WL 3216542, at *5 ("Rule 8210 is consistent with the purposes of the Exchange Act because it 'is essential to FINRA's ability to investigate possible misconduct by its members and associated persons.'" (citation omitted)).

[40] 15 U.S.C. § 78s(e)(2). The record does not show, nor do Applicants claim, that FINRA's sanctions impose an unnecessary or inappropriate burden on competition.

[41] *See McCarthy v. SEC*, 406 F.3d 179, 189–91 (2d Cir. 2015); *Saad v. SEC*, 718 F.3d 904, 906 (D.C. Cir. 2013); *PAZ Sec., Inc. v. SEC*, 494 F.3d 1059, 1065 (D.C. Cir. 2007).

[42] *See, e.g.*, *Bruce Zipper*, Exchange Act Release No. 100777, 2024 WL 3876042, at *4 (Aug. 20, 2024). We look to the Guidelines in force at the time the FINRA hearing panel made its determination in this case. *See* FINRA's Sanction Guidelines (May 2018) ("Guidelines"), https://www.finra.org/sites/default/files/2018_Sanctions_Guidelines.pdf.

[43] Applicants do not challenge the fine and therefore have forfeited any argument that the fine is excessive or oppressive. *See, e.g.*, *Eric S. Smith*, Exchange Act Release No. 100762, 2024 WL 3875989, at *15 (Aug. 19, 2024).

discussed above, Applicants' violations rendered KJC's financial records and FOCUS reports false.[44]

For recordkeeping violations, the Guidelines recommend suspending a responsible individual for up to three months, unless aggravating factors predominate, in which case the individual may be suspended for a longer period or barred.[45] For falsifying a document and filing false FOCUS reports, the Guidelines recommend suspending the responsible individual or Financial Principal for up to two years.[46] Where significant aggravating factors are present, the guideline for falsifying a document recommends that a bar be imposed.[47]

Here, FINRA concluded that "extensive aggravating factors" predominated and rejected Applicants' arguments in mitigation. We agree. For more than a year and a half, Jones intentionally reported a non-allowable asset (CD No. 0331) as an allowable asset and thereby inflated KJC's net capital.[48] This inaccurate information was also important and material, as Jones's misreporting concealed a net capital deficiency in KJC's books and FOCUS reports.[49]

Applicants attempt to downplay their misconduct by arguing that they did not knowingly or willfully commit their books and records-related violations. To the contrary, the record plainly shows that Jones knew both that CD No. 0331 had been pledged and that, as a result, it could not be reported as an allowable asset. Jones was an experienced finance professional who negotiated the terms of both CD No. 0331 and the corresponding loan, and she twice signed documents expressly pledging the CD as collateral. CNB's president also testified that he told Jones that the CD would be pledged against the loan. Although Jones testified that she did not know that she had pledged the CD when she purchased it, the record (as just discussed) shows that she knew the CD was pledged.[50] Moreover, Jones knew by April 2013, at the latest, that

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44 Guidelines at 29, 37, 70; *see also id.* at 7–8 (providing a general list of principal considerations for determining sanctions).

45 *Id.* at 29.

46 *Id.* at 37, 70.

47 *Id.* at 37.

48 *See id.* at 29 (including as principal considerations "[w]hether inaccurate . . . information was entered . . . intentionally, recklessly, or as the result of negligence" and "[w]hether the violations occurred . . . over an extended period of time"); *see also Blair Alexander West*, Exchange Act Release No. 74030, 2015 WL 137266, at *11 (Jan. 9, 2015) (finding four-month period of misconduct to be an extended period of time), *pet. denied*, 641 F. App'x 27 (2d Cir. 2016).

49 *See* Guidelines at 29 (including "[w]hether the violations allowed other misconduct to occur or to escape detection" as a principal consideration); *see also Rani T. Jarkas*, Exchange Act Release No. 77503, 2016 WL 1272876, at *11 (Apr. 1, 2016) (explaining that net capital requirements "protect[ ] customers and other market participants").

50 The Hearing Panel rejected Jones's testimony as not being credible. Although the Commission has occasionally given weight to demeanor-based credibility determinations, *see,*

(*continued*…)

reporting CD No. 0331 as an allowable asset was improper, given that FINRA had placed KJC on heightened supervision after Jones caused the firm to improperly report two earlier pledged CDs as allowable assets.

Applicants argues that the fact that the Hearing Panel set aside certain allegations against Jones is inconsistent with finding that she knew that the CD was pledged when she purchased it. But the set-aside allegations all concerned specific statements and omissions by Jones about the CD's cancellation or the Houston Investigation. The only set-aside allegation that even related to CD No. 0331 having been pledged was an allegation that Jones had represented that she "first learned in March 2015" that the CD had been pledged as collateral. In setting this allegation aside, the Hearing Panel found only that there was no evidence that Jones said that. The panel's finding had nothing to do with when Jones *actually* knew the CD was pledged. And the panel and NAC both expressly found that Jones knew when she purchased the CD that she had also pledged it as collateral.

Applicants similarly argue that it was excessive for FINRA to conclude that KJC acted willfully and therefore was subject to a statutory disqualification. A statutory disqualification, however, is not subject to the Commission's review under Exchange Act Section 19(e) for excessiveness.[51] Rather, the Exchange Act specifies that a statutory disqualification is the automatic consequence of certain types of misconduct.[52] Here, KJC became subject to statutory disqualification by willfully violated the Exchange Act.[53]

We conclude that FINRA did not err in finding willfulness here. Acting with scienter necessarily meets the definition of willfulness.[54] As KJC's owner, CEO, and FINOP, Jones's mental state is attributable to the firm.[55] Jones knew CD No. 0331 was not an allowable asset

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e.g., *Jon R. Butzen*, Exchange Act Release No. 36512, 1995 WL 699189, at *2 & n.7 (Nov. 27, 1995), we do not do so here.

51 *See, e.g.*, *Richard Allen Riemer, Jr.*, Exchange Act Release No. 84513, 2018 WL 5668898, at *8 (Oct. 31, 2018) (citing cases).

52 Exchange Act Section 3(a)(39), 15 U.S.C. § 78c(a)(39).

53 *See id.* § 78c(a)(39)(F) (stating that a person is subject to a statutory disqualification if, among other things, he has committed any act enumerated in Exchange Act Section 15(b)(4)(D), which includes willful violations of the Exchange Act).

54 *See Robare Grp., Ltd. v. SEC*, 922 F.3d 468, 479 (D.C. Cir. 2019); *Bennett Grp. Fin. Servs.*, Exchange Act Release No. 80347, 2017 WL 1176053, at *4 n.30 (Mar. 30, 2017) (finding that scienter demonstrates that violations were willful), *abrogated in part on other grounds by Lucia v. SEC*, 585 U.S. 237 (2018); *cf. Allen Holeman*, Exchange Act Release No. 86523, 2019 WL 3530381, at *11–12 (July 31, 2019) (finding that applicant who acted with extreme recklessness had acted willfully).

55 *See, e.g.*, *Armstrong, Jones & Co. v. SEC*, 421 F.2d 359, 362 (6th Cir. 1970) (recognizing that Commission may sanction a broker-dealer under respondeat superior doctrine for its agents' willful violations of Exchange Act); *Fuad Ahmed*, Exchange Act Release No. 81759, 2017 WL

(*continued*…)

but caused it to be listed as an allowable asset in the firm's books and records and FOCUS reports. The record thus shows that KJC (acting through Jones) knowingly—and thereby willfully—violated the Exchange Act by listing CD No. 0331 as an allowable asset on the firm's books and records and FOCUS reports.

We also disagree with Applicants that FINRA did not properly consider the lack of customer harm. Applicants argue that FINRA ignored the lack of customer harm and that the Sanction Guideline for forgery, unauthorized use of signatures, or falsification of records—on which FINRA partially relied—directs adjudicators to consider a suspension in the absence of such harm.[56] To the contrary, the NAC noted this provision in the Guideline, but pointed out that the Guideline additionally provides that a bar is standard, regardless of customer harm, if the violations are "accompanied by significant aggravating factors."[57]

Such significant aggravating factors, as FINRA found, are present here. Jones's repeated and knowing misconduct both demonstrates a pattern of disregard for her reporting and recordkeeping obligations and confirms the risk that she poses to customers and other market participants if she were not barred. Given these factors and our focus on investor welfare, we agree with FINRA that the lack of customer harm was not mitigating.[58]

We also reject Applicants' claim that FINRA erred by not viewing as mitigating Jones's lack of prior disciplinary history. A securities professional's lack of prior disciplinary history is not mitigating because such a person "should not be rewarded for acting in accordance with his duties as a securities professional."[59] Indeed, the Guidelines incorporate this principle by noting that certain considerations may be only aggravating and citing an appellate decision for the

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4335036, at * & n.32 (Sept. 28, 2017) (sustaining NAC's willfulness finding against former FINRA member firm and registered representative where representative and others intentionally committed acts that violated Securities Act, Exchange Act, and FINRA rules).

56 *See* Guidelines at 37.

57 *Id.* (recommending a suspension of two months to two years for falsifying a document "in the absence of other violations or customer harm" and a bar if the conduct is "in furtherance of another violation" and results "in customer harm or [is] accompanied by significant aggravating factors"). Applicants acknowledge that the Sanction Guideline for recordkeeping violations recommends that FINRA consider a "longer" suspension or bar "[w]here aggravating factors predominate." *Id.* at 29

58 *Cf. PAZ Sec., Inc. v. SEC*, 566 F.3d 1172, 1175 (D.C. Cir. 2009) (upholding Commission determination that "the lack of direct harm or benefit does not mitigate a complete failure to respond in violation of Procedural Rule 8210"); *Louis Ottimo*, Exchange Act Release No. 95141, 2022 WL 2239146, at *7 (June 22, 2022) ("[W]e have consistently held that the lack of customer harm is not mitigating.") (internal quotation marks omitted).

59 *PAZ Sec., Inc.*, Exchange Act Release No. 57656, 2008 WL 1697153, at *8 (Apr. 11, 2008) (quoting *Philippe N. Keyes*, Exchange Act Release No. 54723, 2006 WL 3313843, at *6 (Nov. 8, 2006)), *petition denied*, 566 F.3d 1172 (D.C. Cir. 2009).

proposition that "while the existence of a disciplinary history is an aggravating factor when determining the appropriate sanction, its absence is not mitigating."[60]

Applicants nevertheless argue that imposing a bar would be inconsistent with two disciplinary actions involving erroneous FOCUS reports in which FINRA imposed less than a bar. Our review is de novo, however, and we are not bound by FINRA decisions.[61] And both FINRA actions that Applicants cite are distinguishable because the respondents in those actions (unlike Jones) did not know that the FOCUS reports at issue were erroneous.[62]

For these reasons, we conclude that barring Jones for her books and records violations is not excessive, oppressive, or punitive, but rather is designed to protect the public.[63]

B. We sustain FINRA's bar against Jones for her false and misleading information-related violations.

FINRA barred Jones in all capacities for her violations related to providing false and misleading information during FINRA's cycle examination and subsequent investigation. In doing so, FINRA appropriately applied its guideline regarding failure to respond, failure to respond truthfully or timely, or providing an incomplete response to requests made pursuant to FINRA Rule 8210, which embraces Jones's misconduct because, as discussed above, she repeatedly provided false and misleading information, and otherwise failed to respond fully, in response to FINRA staff's various Rule 8210 and other requests.[64]

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60 *See* Guidelines at 7 n.1 (citing *Rooms v. SEC*, 444 F.3d 1208, 1214–15 (10th Cir. 2006)).

61 *See Cody*, 2011 WL 2098202, at *9 (stating that our review is de novo); *cf. Rapoport v. SEC*, 682 F.3d 98, 105 (D.C. Cir. 2012) (recognizing that ALJ decisions do not bind the Commission); *Zipper*, 2024 WL 3876042, at *4 (recognizing that FINRA Sanctions Guidelines do not bind the Commission).

62 *See Dep't of Enf't v. Jarkus*, No. 2009017899801, at 8, 15–16, 21–22 (OHO Feb. 7, 2014); *Dep't of Enf't v. Forest*, No. 2009016159102, at 4, 13 (NAC July 28, 2015) (discussing facts related to default decision in *Dep't of Enf't v. Novack*, No. 2009016159103 (OHO Aug. 12, 2013)).

63 Beyond a sentence in her opening brief referring to "health problems" and "severe life events," which we address in the next section, Jones does not reassert—and thus forfeited—the mitigation argument she raised before the NAC that family and personal troubles caused her to make "mistakes" through "inattention and negligence." *See, e.g.*, *Smith*, 2024 WL 3875989, at *15.

64 Guidelines at 33; *see also Trevor Michael Saliba*, Exchange Act Release No. 99940, 2024 WL 1603297, at *9 (Apr. 11, 2024) (sustaining a bar that FINRA imposed based on this guideline against an associated person who provided false information to FINRA Enforcement in response to a Rule 8210 request and to FINRA Member Regulation in the absence of such a request).

Under this guideline, a bar is standard where an individual provided false or misleading information in response to FINRA's requests.[65] A bar is also standard where an individual provided a partial but incomplete response, "unless the person can demonstrate that the information provided substantially complied with all aspects of the request."[66] "Where mitigation exists," a suspension may be considered instead of a bar.[67] Relevant considerations include the importance of the requested information from FINRA's perspective, the number of requests made and the degree of regulatory pressure required to obtain a response, and whether the person thoroughly explained valid reasons for deficiencies in the response.[68] "The lack of harm to customers or benefit to a violator does not mitigate a Rule 8210 violation."[69]

These considerations support FINRA's determination to impose a bar. Without subpoena power, FINRA relies on Rule 8210 requests to obtain information for its examinations and investigations and fulfill its regulatory mandate to oversee its members and associated persons.[70] Failures, like Jones's, to comply with Rule 8210 undermine FINRA's ability to carry out its regulatory responsibilities and hinder its ability to detect misconduct that threatens investors and markets.[71] The information that FINRA requested of Jones was particularly important for carrying out that mandate, as FINRA staff were investigating serious potential legal violations related to the accuracy of KJC's net capital calculation and to Jones's potentially fraudulent conduct underlying the Houston Investigation.

Applicants attempt to downplay the seriousness of Jones's misconduct by arguing that, other than "one truthful but incomplete written description" of the Houston Investigation, she provided FINRA with all relevant documents and answers, and that she failed to answer "personal questions about her mother" only after having "been informed beforehand that no personal questions would be asked." To the contrary, Jones's responses fell far short of substantially complying with all aspects of FINRA's requests. As detailed above, Jones's false and misleading responses to FINRA requests spanned several months and multiple different Rule 8210 and other requests, and Jones herself put her mother at issue during the OTR.

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65 Guidelines at 33.

66 *Id.*

67 *Id.*

68 *Id.*

69 *Id.* at 33 n.2.

70 *See, e.g.*, *CMG Inst. Trading, LLC*, Exchange Act Release No. 59325, 2009 WL 223617, at *6 (Jan. 30, 2009) (explaining that FINRA must rely on Rule 8210 to obtain information "to carry out its investigations and fulfill its regulatory mandate" and its "obligation to police the activities of its members and associated persons").

71 *See, e.g.*, *John Joseph Plunkett*, Exchange Act Release No. 69766, 2013 WL 2898033, at *9 (June 14, 2013) ("Failures to comply [with Rule 8210] are serious violations because they subvert FINRA's ability to carry out its regulatory responsibilities, threatening investors and the markets.") (internal quotations and alterations omitted).

Applicants also contend that FINRA improperly rejected Jones's mitigation claim that health problems and other "severe life events" prevented her from fully participating in FINRA's examination. We disagree. Although the Commission has explained that "a medical disability can be mitigating if it interfered with an applicant's ability to comply with the rule at issue,"[72] the applicant must demonstrate that their medical condition *actually* had this effect.[73] Jones's only support for her claim is a reference in the hearing transcript to an email in which a third party stated that Jones had been released from the hospital for complications relating to high blood pressure. Jones does not explain how this condition allegedly interfered, over several months, with her ability to comply with FINRA's repeated Rule 8210 requests or caused her to provide false and misleading responses to FINRA.

Applicants similarly argue that FINRA improperly rejected their mitigation claim that CNB failed to provide certain documents to Jones. But Jones has not shown how that alleged failure by CNB is relevant to Applicants' misconduct, and the record shows that Jones was already aware of the facts surrounding CD No. 0331 and her pledging of it. We thus see no basis for why Jones would require additional documents from CNB to respond to FINRA's requests.

Nor do we agree that Jones's cooperation with some aspects of FINRA's examination—and her later correction of the lie that she told to FINRA staff about her mother's death—are ultimately mitigating. Securities professionals like Jones are obligated to cooperate with FINRA examinations and investigations.[74] Although a respondent's "substantial assistance" with a FINRA examination or investigation may be relevant to the appropriate sanction,[75] Jones's repeated failure here to provide accurate or complete information to FINRA failed to meet even the minimum cooperation expected of associated persons—and thus fell well below the level of substantial assistance that we might find mitigating.

Jones partially accepts responsibility for her misconduct by stating in her briefs to the Commission that she "should have been better and more responsive with documents." But this

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72 *Ahmed Gadelkareem*, Exchange Act Release No. 82879, 2018 WL 1324737, at *9 (Mar. 14, 2018).

73 *See, e.g.*, *id.*; *John M.E. Saad*, Exchange Act Release No. 76118, 2015 WL 5904681, at *6 (Oct. 8, 2015) (rejecting professional and personal stress as mitigating factor where case involved deceptive conduct "over a long period of time," not "an unthinking reaction during a stressful moment that is later redressed"), *pet'n denied in part and remanded in part*, 873 F.3d 297, 303 (D.C. Cir. 2017) (upholding the Commission's analysis of mitigating evidence, including regarding stress).

74 *See West*, 2015 WL 137266, at *12 ("Associated persons do not provide substantial assistance by simply fulfilling their obligations to provide FINRA information pursuant to an investigation."); *Keyes*, 2006 WL 3313843, at *6 n.22 (holding that the applicant's "cooperation in the investigation was consistent with the responsibilities he agreed to when he became an associated person and does not constitute substantial assistance").

75 Guidelines at 8.

belated and vague acknowledgement is outweighed by the aggravating factors here.[76] We also reject Applicants' claim that a bar is disproportionate for Jones's misconduct when compared with the sanctions that FINRA has imposed in other disciplinary actions involving Rule 8210 violations. As noted above, those decisions are not binding on the Commission.[77] In any event, the decisions that Applicants cite are again readily distinguishable. Unlike the circumstances here, the FINRA decisions that Applicants cite involving Rule 8210 violations involved respondents who eventually fully and truthfully responded to Rule 8210 requests.[78]

We accordingly conclude that barring Jones for providing false and misleading information to FINRA, and for refusing to comply with FINRA's Rule 8210 requests, is not excessive, oppressive, or punitive, but rather is designed to protect the public.

C. Applicants' remaining arguments about sanctions lack merit.

As to both bars, Applicants argue that FINRA "failed to properly explain why a lifetime bar was appropriate in this case." We disagree. The NAC described the applicable guidelines, analyzed in depth the appropriate sanctions for Applicants' misconduct, considered and ultimately rejected Applicants' arguments in mitigation, and explained its view that bars were appropriate for Jones's violations.[79]

Applicants also argue that the NAC improperly increased the sanctions imposed by the Hearing Panel from suspensions to bars because FINRA Enforcement did not cross-appeal the Hearing Panel's decision. FINRA's rules, however, specify that the NAC "may affirm, modify, reverse, *increase*, or reduce any sanction, . . . or impose any other fitting sanction."[80] Moreover, FINRA Enforcement argued in its briefs before both the Hearing Panel and the NAC that Jones should be barred. Applicants thus were on notice both that FINRA Enforcement was seeking

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[76] *Cf. id.* at 7 (recognizing as a consideration in determining sanctions "[w]hether an individual . . . accepted responsibility for and acknowledged the misconduct to his or her employer . . . or a regulator prior to detection and intervention by the firm . . . or a regulator").

[77] *See supra* note 61 and accompanying text.

[78] *See Dep't of Enf't v. Hartman*, No. 2016052604602 (OHO Nov. 11, 2018) (barring respondent from association with any FINRA member firm in any capacity); *Dep't of Enf't v. Larson*, No. 2014039174202 (OHO June 14, 2018) (suspending respondent from association for 18 months).

[79] *See, e.g.*, *ABN AMRO Clearing Chicago LLC*, Exchange Act Release No. 83849, 2018 WL 3869452, at *12 (Aug. 15, 2018) (explaining that a self-regulatory organization need provide "only a clear explication of reasons, which may be long or short as the nature of the case and the novelty or complexity of the issues may require") (cleaned up).

[80] FINRA Rule 9348 (emphasis added); *see also* FINRA Rule 9349(a) (same); *Meyers Assocs.,* 2019 WL 3387091, at *18 (recognizing that "it is not improper for the NAC to impose different sanctions than a Hearing Panel imposed or that Enforcement requested").

increased sanctions on appeal to the NAC and that the NAC could increase the sanctions imposed by the Hearing Panel.[81]

V. Constitutional Arguments

Applicants challenge FINRA's proceedings on several constitutional grounds. They claim that the Exchange Act's statutory scheme violates the private non-delegation doctrine insofar as it permits FINRA, a private self-regulatory organization, to exercise regulatory authority without (they claim) sufficient Commission oversight. They further contend that FINRA's hearing officers and NAC members were not appointed in accord with the Appointments Clause and are not subject to removal in a manner consistent with Article II of the U.S. Constitution. Finally, they argue that FINRA denied them due process by depriving them of a fair proceeding and a determination by an impartial decisionmaker.

As a threshold matter, Applicants forfeited these arguments by failing to raise them before FINRA.[82] As noted above, they limited their arguments before the NAC to the appropriateness of the sanctions imposed. Challenges premised on constitutional claims are not exempt from "ordinary principles of waiver and forfeiture."[83] In addition to being forfeited, these arguments also lack merit.

A. FINRA's structure does not violate the Constitution.

The non-delegation doctrine, Appointments Clause, and removal claims that Applicants assert here are substantially similar to challenges that have been raised in federal courts to FINRA's structure and operations.[84] As described below, we follow the lead set by the courts on these constitutional questions to conclude that Applicants' claims do not have merit. Briefs filed

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81 *See Birkelbach v. SEC*, 751 F.3d 472, 281 (7th Cir. 2014) (finding that the Commission did not abuse its discretion in affirming a NAC decision to increase the sanction imposed by a hearing panel).

82 *See, e.g.*, *Newport Coast Sec., Inc.*, Exchange Act Release No. 88548, 2020 WL 1659292, at *16 (Apr. 3, 2020) (finding that applicant's "failure to raise its Appointments Clause argument before FINRA is reason enough for us to reject it now"); *see also supra* note 12.

83 *Island Creek Coal Co. v. Wilkerson*, 910 F.3d 254, 256 (6th Cir. 2018) (citation modified); *see, e.g.*, *Newport Coast*, 2020 WL 1659292, at *15–17 (finding waiver of constitutional arguments where they were not first raised before FINRA). Applicants contend that the Commission cannot impose an exhaustion requirement unless FINRA is a government agency, but "general administrative exhaustion principles apply to [self-regulatory organizations]." *MFS Sec. Corp.*, 380 F.3d at 622.

84 *See, e.g.*, *Alpine Sec. Corp. v. Nat'l. Sec. Clearing Corp.*, No. 2:23-CV-00782-JNP-JCB, 2024 WL 1011863, at *6 (D. Utah Mar. 8, 2024) (concluding that the applicant "has not demonstrated a likelihood of success" as to its claim that self-regulatory organizations "are unconstitutionally structured under the Appointments Clause" or that the authority "delegated to [them] violates the constitutional nondelegation doctrine"), *injunction pending appeal denied*, Order, Case No. 24-4027, Doc. No. 11074625 (10th Cir. Mar. 15, 2024).

by the Commission and by the Department of Justice in other proceedings have discussed in detail the type of constitutional claims that Applicants raise.[85] We agree with that analysis and therefore explain only briefly why we conclude that Applicants' claims lack merit.

Applicants' private non-delegation claim fails. The Supreme Court has recognized that Congress may enlist the aid of a private organization in administering federal law without running afoul of the non-delegation doctrine as long as the private actor "function[s] subordinately" to a government agency that exercises "authority and surveillance" over its activities.[86] Courts have repeatedly recognized that the relationship between FINRA and the Commission satisfies these private non-delegation principles.[87]

Through the Exchange Act, Congress gave the Commission "pervasive supervisory authority" over the rulemaking and enforcement activities of FINRA and other self-regulatory organizations in order to protect "the public interest."[88] For example, FINRA's proposed rules for its members generally only take effect if the Commission approves the rules after public notice and comment, and the Commission "may abrogate, add to, and delete from" those rules.[89] The Commission also exercises supervisory authority over FINRA's disciplinary decisions, including plenary review over its final disciplinary actions—the very process Applicants have pursued here.[90] The Commission may even suspend or revoke FINRA's registration if, in the

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85 *See* Br. for Respondent SEC, *Black v. SEC*, Case No. 23-2297, Doc. No. 45 (4th Cir. July 8, 2024); *see also* Def. SEC's Combined Br. in Supp. of Cross-Mot. for Summ. J. & Opp'n to Pl.'s Mot. for Summ. J., *Black v. FINRA*, Case No. 3:23-cv-709-RJC-DCK, Doc. No. 51-1 (W.D.N.C. Apr. 4, 2025); Mem. of Law of Intervenor United States in Defense of the Challenged Provisions of the Sec. Laws, *Alpine Sec. Corp. v. Nat'l Sec. Clearing Corp.*, Case No. 2:23-cv-00782-JNP-JCB, ECF No. 30 (D. Utah Jan. 29, 2024).

86 *Sunshine Anthracite Coal Co. v. Adkins*, 310 U.S. 381, 399 (1940); *see also FCC v. Consumers' Rsch.*, 606 U.S. 656, 692–95 (2025) (holding, based on *Adkins*, that FCC's universal-service contribution scheme, administered by a private corporation, did not violate nondelegation principles).

87 *See, e.g.*, *Sorrell v. SEC*, 679 F.2d 1323, 1325–26 (9th Cir. 1982) (upholding arrangement against a challenge that Congress unconstitutionally delegated power to self-regulatory organizations to impose disciplinary sanctions); *First Jersey Sec., Inc. v. Bergen*, 605 F.2d 690, 697 (3d Cir. 1979); *R. H. Johnson & Co v. SEC*, 198 F.2d 690, 695 (2d Cir. 1952); *cf. Alpine Sec. Corp. v. FINRA*, 121 F.4th 1314 (D.C. Cir. 2024) (discussed below).

88 *United States v. NASD*, 422 U.S. 694, 732–33 (1975); *see also Oklahoma v. United States*, 62 F.4th 221, 229 (6th Cir. 2023) (observing that the Commission "oversees both [FINRA's] rulemaking and [its] enforcement").

89 *See* 15 U.S.C. § 78s(b)(1), (2)(C), (c).

90 *See id.* § 78s(e); *see also NASD v. SEC*, 431 F.3d 803, 806 (D.C. Cir. 2005) (recognizing that the Exchange Act "provides the Commission with plenary review powers" over self-regulatory organizations' disciplinary sanctions).

Commission's opinion, "such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance" of the Exchange Act's purposes.[91]

Although the D.C. Circuit recently found that an applicant for a preliminary injunction had demonstrated a likelihood of success on a nondelegation claim against FINRA, the circumstances that were crucial to the D.C. Circuit's decision are not present here.[92] Specifically, the court determined that plenary Commission review of a FINRA expedited expulsion proceeding was "not available as a practical matter" before the expulsion forced the business to close—thus leaving a "gap" in Commission oversight of FINRA's disciplinary proceedings.[93] Here, by comparison, the same procedural posture and concerns are not present in our review of FINRA's final disciplinary decision.[94]

Applicants' Article II appointment and removal claims fail. Applicants have also not established that Article II's appointment and removal requirements apply to FINRA personnel. By their terms, those structural constitutional requirements apply only to "Officers of the United States,"[95] and Article II "says nothing" about the method of hiring or firing "some other type of officer" that is not an officer "of the United States."[96] FINRA is not "part of the government" under the Supreme Court's test in *Lebron v. National Railroad Passenger Corp.* because it was not created by the government and its leaders are not chosen by the government.[97] FINRA is

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91 15 U.S.C. § 78s(h)(1).

92 *See Alpine Sec.*, 121 F.4th at 1330–31 (finding a likelihood of success on a preliminary injunction applicant's nondelegation claim where FINRA expelled the applicant in an expedited proceeding and the expulsion was allowed to take effect before the completion of Commission review proceedings).

93 *Id.* at 1331.

94 *See, e.g.*, *id.* at 1326–28 (distinguishing between the Commission's oversight of FINRA through review of final FINRA decisions or sanctions and the more limited circumstances in *Alpine Securities* involving whether to stay the effectiveness of an expedited expulsion order pending Commission review).

95 U.S. CONST. art. II, § 2, cl. 2.

96 *Fin. Oversight & Mgmt. Bd. for P.R. v. Aurelius Inv., LLC*, 590 U.S. 448, 459 (2020).

97 513 U.S. 374, 399 (1995). Applicants appear to conflate the *Lebron* test with the state-action doctrine, under which specific actions by a private entity can be attributed to the government. *See, e.g.*, *NB ex rel. Peacock v. District of Columbia*, 794 F.3d 31, 43 (D.C. Cir. 2015). Whether a "private entity" takes action that may "be deemed that of the state" for certain purposes under the state-action doctrine is a different question from whether an entity is part of the "Government itself" under *Lebron*. *See Herron v. Fannie Mae*, 861 F.3d 160, 167 (D.C. Cir. 2017) (distinguishing between those two questions and addressing the *Lebron* test, rather than the state action doctrine, because plaintiff argued that the defendant was part of the federal government). The state-action doctrine does not bear on whether an entity is part of the government and therefore subject to the structural constitutional requirements that apply to the government itself.

instead a private, non-profit corporation incorporated under Delaware law.[98] As a private entity (acting subject to the supervision and authority of the Commission pursuant to private non-delegation principles), FINRA's processes for selecting or terminating its personnel—including with respect to hearing officers and the composition of hearing panels—are not subject to the Appointments Clause or constitutional limitations on removal restrictions.

B. FINRA did not deprive Applicants of due process or fair procedures.

The Exchange Act requires self-regulatory organizations like FINRA to "provide fair procedures in disciplinary actions."[99] The record indicates that FINRA provided fair procedures, and therefore comported with any due process requirements, throughout the proceeding below, and we find no merit in Applicants' arguments to the contrary.[100]

Applicants contend, for example, that Enforcement filed a "materially misleading" post-hearing brief with the Hearing Panel that depicted the Houston Investigation as being about "only" the Birmingham and Chicago flights. In doing so, Applicants claim, Enforcement attempted to portray Jones's production of "documents related to all flights as misleading and deceptive." But Applicants were not denied an opportunity to challenge Enforcement's characterization of the Houston Investigation, nor was the NAC—whose decision is before us on appeal—misled by Enforcement.[101] Enforcement's opening brief to the NAC and the resulting NAC decision accurately describe how Jones testified that she was questioned about five flights, but that the investigation later narrowed to two specific flights.

Applicants also argue that, because Enforcement did not cross-appeal, they were deprived of notice of Enforcement's intent to seek greater sanctions before the NAC. As discussed above, however, the NAC reviews Hearing Panel decisions de novo and has broad discretion to "affirm,

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98 *See, e.g.*, *Jones v. SEC*, 115 F.3d 1173, 1183 (4th Cir. 1997) ("While the NASD is a closely regulated corporation, it is not a governmental agency, but rather a private corporation organized under the laws of Delaware.").

99 *Epstein*, 416 F. App'x at 148; *see also* 15 U.S.C. § 78o-3(b)(8), (h)(1).

100 *See, e.g.*, *D'Alessio v. SEC*, 380 F.3d 112, 121 (2d Cir. 2004) (noting that Exchange Act's requirement that FINRA provide fair procedures gave rise to a "due-process-like requirement"); *Consol. Arb. Applications*, Exchange Act Release No. 97248, 2023 WL 2805323, at *8 (Apr. 4, 2023) ("Here, applicants have not been denied fair procedures or, even were it held to apply to FINRA, due process.").

101 *See, e.g.*, *Kendall v. Baicerzak*, 650 F.3d 515, 528–29 (4th Cir. 2011) (explaining that "[p]rocedural due process provides merely a guarantee of fair procedures—typically notice and an opportunity to be heard") (quotations omitted); *accord Mathews v. Eldridge*, 424 U.S. 319, 333 (1976) ("The fundamental requirement of due process is the opportunity to be heard 'at a meaningful time and in a meaningful manner.'") (quoting *Armstrong v. Manzo*, 380 U.S. 545, 552 (1965)).

modify, reverse, increase, or reduce any sanction, or impose any other fitting sanction."[102] Moreover, contrary to their contention, Applicants received ample notice that the NAC might increase the sanctions: Enforcement expressly sought increased sanctions, the NAC repeatedly warned Applicants that it could increase the sanctions, and Applicants argued against such an increase both in their reply brief and at oral argument before the NAC.

Applicants further claim that FINRA deprived them of due process by charging them with, and later finding, duplicative rule violations when alleging that they violated Rule 2010 by virtue of violating Rules 4511 and 8210. They contend that Rule 2010 "should only be used when another rule is inapplicable." The Commission and courts have repeatedly held, however, that a violation of another Commission or FINRA rule *per se* amounts to a violation of Rule 2010.[103] We also have repeatedly rejected Applicants' contention that Rule 2010 is impermissibly vague.[104] Further, Applicants' suggestion that FINRA violated the Fifth Amendment's Double Jeopardy Clause is unavailing because that clause only applies to multiple criminal punishments for a single offense, and no criminal punishment is involved here.[105]

Applicants also argue, without citing any authority, that FINRA deprived Jones of due process by treating her "purported deception" both as the basis for her underlying Rule 8210 and 2010 violations, and as "aggravation of said violations and of her purported Rule 4511 and 2010 violation." However, the nature of a respondent's misconduct necessarily informs the appropriate sanction for such misconduct.[106] We therefore find that FINRA did not deprive Jones of due process by considering the facts and circumstances of her rule violations in its sanctions analysis.

Applicants next argue that the NAC panel was not fair and impartial because one of its members was an owner and associated person of a competitor broker-dealer who failed to recuse

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[102] FINRA Rule 9349(a); *see, e.g.*, *Kevin M. Glodek*, Exchange Act Release No. 60937, 2009 WL 3652429, at *6 (Nov. 4, 2009) (sustaining the NAC's decision to impose a longer suspension than did the hearing panel); *Joseph Abbondante*, Exchange Act Release No. 53066, 2006 WL 42393, at *11 (Jan. 6, 2006) (rejecting applicant's argument that, by increasing sanctions, the NAC unfairly infringed on his right to appeal the hearing panel's decision), *aff'd*, 209 F. App'x 6 (2d Cir. 2006).

[103] *See supra* notes 23, 31.

[104] *See, e.g.*, *Rooms*, 444 F.3d at 1213–14 (rejecting petitioner's vagueness challenge to NASD's rule barring conduct in violation of "just and equitable principles of trade"); *Mayer A. Amsel*, Exchange Act Release No. 8743, 1996 WL 169430, at *4 n.11 (Apr. 10, 1996) (noting that the Commission has repeatedly rejected vagueness challenges to NASD rules requiring adherence to just and equitable principles of trade and collecting cases).

[105] *See, e.g.*, *William F. Lincoln*, Exchange Act Release No. 39629, 1998 WL 80228, at *5–6 (Feb. 9, 1998) (holding that administrative proceedings to impose a bar do not involve "criminal penalties" for the purposes of the Double Jeopardy Clause).

[106] *See* Guidelines at 3 (directing adjudicators to tailor sanctions to address misconduct in particular case).

himself. Applicants assert that the Commission should presume that the competitor's presence on the panel prejudiced them and rendered the NAC panel's decision unfair, necessitating a new hearing. Applicants forfeited this claim by not timely seeking to disqualify the panel member.[107] FINRA Rule 9332(b) requires a party to move to disqualify a NAC panel member for bias within 15 days after the later of learning the grounds for disqualification or notification of the composition of the panel. Objections to a hearing panel's composition must be brought first to the panel itself "so that the situation can be considered and, if appropriate, remedied as soon as possible."[108] This requirement ensures that Applicants cannot "gamble on one course of action and, upon an unfavorable decision, [] try another course of action."[109] Here, Applicants were notified of the NAC panel members' identities on January 31, 2019—more than seven months before the NAC oral argument and almost a year before its decision—yet only now call into question one panel member's impartiality. Applicants do not allege that they only subsequently became aware of the panelist's alleged bias.

Even if Applicants had not forfeited their bias claim, we have consistently rejected such arguments premised on "the mere fact that the panel member is employed by a potential competitor."[110] "Self-regulation of the securities industry necessarily entails adjudication by competitors," and, without more, a panel member's generalized and indirect potential interest in the resolution of the matter does not deprive the firm of a fair hearing.[111] Applicants have not alleged, let alone established, "a particularized 'bias or a showing of bias beyond merely being a competitor,'" and thus have not shown that there was "an impermissible conflict of interest."[112] Indeed, Applicants do not describe how or to what extent the panel member was allegedly Applicants' competitor, or how that panel member would benefit from imposing a disciplinary

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107 *See, e.g.*, *Ahmed*, 2017 WL 4335036, at *22 (finding bias challenge waived where applicant failed to "object to the Panelist's participation on the Hearing Panel"); *Kenny Akindemowo*, Exchange Act Release No. 79007, 2016 WL 5571625, at *10 n.35 (Sept. 30, 2016) (rejecting applicant's challenge to a hearing panel's composition where applicant had an "opportunity to object to the hearing panel members under FINRA rules but did not do so").

108 *Robert Fitzpatrick*, Exchange Act Release No. 44956, 2001 WL 1251680, at *5 (Oct. 19, 2001); *accord Boadt*, 1993 WL 365355, at *2.

109 *Stuart K. Patrick*, Exchange Act Release No. 32314, 1993 WL 172847, at *4 (May 17, 1993) (quoting *David T. Fleischman*, Exchange Act Release No. 8187, 1967 WL 87757, at *3 (Nov. 1, 1967)) (rejecting respondent's objection to NYSE panelist raised for first time on appeal).

110 *Sierra Nev. Sec., Inc.*, Exchange Act Release No. 41330, 1999 WL 239682, at *4 (Apr. 26, 1999).

111 *Id.*

112 *Id.* (quoting *Datek Sec. Corp.*, Exchange Act Release No. 32560, 1993 WL 243632, at *2 (June 30, 1993)); *cf. Datek*, 1993 WL 243632, at *2–3 (holding that applicants proved bias where panel members had participated in the transactions at issue in the disciplinary proceeding).

sanction on Applicants. Nor do Applicants identify any evidence that the panelist made a decision based on matters other than those gleaned from participation in this case.[113]

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For these reasons, we sustain FINRA's findings of violations and sanctions.[114] An appropriate order will issue.[115]

By the Commission (Chairman ATKINS and Commissioners PEIRCE, CRENSHAW, and UYEDA).

Vanessa A. Countryman
Secretary

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[113] *See Robert E. Gibbs*, Exchange Act Release No. 32401, 1993 WL 190913, at *2 (June 2, 1993) (rejecting bias allegation where respondent offered no evidence that the panel member had any improper bias).

[114] We have considered all of the parties' contentions. We have rejected or sustained them to the extent that they are inconsistent or in accord with the views expressed in this opinion.

[115] Because our decisional process would not be significantly aided by oral argument, Applicants' motion for oral argument is denied. Rule of Practice 451, 17 C.F.R. § 201.451.

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 104273 / November 28, 2025

Admin. Proc. File No. 3-20209

In the Matter of the Application of

ROBBI J. JONES and KIPLING JONES & CO., LTD.,

For Review of Disciplinary Action Taken by

FINRA

ORDER SUSTAINING DISCIPLINARY ACTION TAKEN BY FINRA

On the basis of the Commission's opinion issued this day, it is

ORDERED that FINRA's findings of violations against Robbi J. Jones and Kipling Jones & Company, Ltd. are sustained; and it is further

ORDERED that the sanctions imposed by FINRA against Robbi J. Jones and Kipling Jones & Company, Ltd. are sustained.

By the Commission.

Vanessa A. Countryman
Secretary