

## BrokerCheck Report

### EMERSON EQUITY LLC

CRD# 130032

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

## About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
  - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
  - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

• **Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at [brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit [www.finra.org](http://www.finra.org).



## EMERSON EQUITY LLC

CRD# 130032

SEC# 8-66296

### Main Office Location

155 BOVET ROAD, SUITE 725  
SAN MATEO, CA 94402  
Regulated by FINRA San Francisco Office

### Mailing Address

155 BOVET ROAD, SUITE 725  
SAN MATEO, CA 94402

### Business Telephone Number

(650) 312-0200

This firm is a brokerage firm and an investment adviser firm. For more information about investment adviser firms, visit the SEC's Investment Adviser Public Disclosure website at:

<https://www.adviserinfo.sec.gov>

## Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

### Firm Profile

This firm is classified as a limited liability company.

This firm was formed in California on 10/10/2003.

Its fiscal year ends in December.

### Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

### Firm Operations

#### This firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 53 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 13 types of businesses.

This firm is not affiliated with any financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

### Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

#### The following types of disclosures have been reported:

Type	Count
Regulatory Event	2



## Firm Profile

This firm is classified as a limited liability company.

This firm was formed in California on 10/10/2003.

Its fiscal year ends in December.

## Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

### EMERSON EQUITY LLC

**Doing business as** EMERSON EQUITY LLC

**CRD#** 130032

**SEC#** 8-66296

### Main Office Location

155 BOVET ROAD, SUITE 725  
SAN MATEO, CA 94402

**Regulated by FINRA San Francisco Office**

### Mailing Address

155 BOVET ROAD, SUITE 725  
SAN MATEO, CA 94402

### Business Telephone Number

(650) 312-0200



## Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

### Direct Owners and Executive Officers

<b>Legal Name &amp; CRD# (if any):</b>	BALDINI, DOMINIC JULIO 3082081
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	MANAGING MEMBER, PRESIDENT, GENERAL SECURITIES PRINCIPAL, CHIEF COMPLIANCE OFFICER, OPTIONS PRINCIPAL, MUNI PRINCIPAL, FINOP
<b>Position Start Date</b>	12/2003
<b>Percentage of Ownership</b>	75% or more
<b>Does this owner direct the management or policies of the firm?</b>	Yes
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	MORRISSEY, KATHLEEN FRANCES 1771747
<b>Is this a domestic or foreign entity or an individual?</b>	Individual
<b>Position</b>	CHIEF OPERATIONS OFFICER
<b>Position Start Date</b>	08/2016
<b>Percentage of Ownership</b>	Less than 5%
<b>Does this owner direct the management or policies of the firm?</b>	No
<b>Is this a public reporting company?</b>	No

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<b>Legal Name &amp; CRD# (if any):</b>	SNYDER, SEAN KRISTIAN 1860842
<b>Is this a domestic or foreign entity or an individual?</b>	Individual

Firm Profile



Direct Owners and Executive Officers (continued)

Position	CHIEF STRATEGY OFFICER
Position Start Date	04/2017
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

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## Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

### Indirect Owners

No information reported.



## Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.





Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

**This firm is currently registered with the SEC, 1 SRO and 53 U.S. states and territories.**

Federal Regulator	Status	Date Effective
SEC	Approved	04/12/2004

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	04/12/2004



## Firm Operations

### Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	05/13/2011
Alaska	Approved	01/20/2015
Arizona	Approved	05/18/2006
Arkansas	Approved	02/09/2015
California	Approved	04/12/2004
Colorado	Approved	04/06/2009
Connecticut	Approved	02/24/2010
Delaware	Approved	09/22/2014
District of Columbia	Approved	01/10/2015
Florida	Approved	01/20/2006
Georgia	Approved	05/31/2011
Hawaii	Approved	05/29/2007
Idaho	Approved	10/07/2011
Illinois	Approved	11/09/2009
Indiana	Approved	12/11/2013
Iowa	Approved	11/19/2014
Kansas	Approved	02/27/2015
Kentucky	Approved	08/11/2014
Louisiana	Approved	04/25/2006
Maine	Approved	09/05/2014
Maryland	Approved	03/29/2005
Massachusetts	Approved	11/09/2009
Michigan	Approved	02/02/2011
Minnesota	Approved	06/20/2014
Mississippi	Approved	08/15/2014
Missouri	Approved	06/20/2011
Montana	Approved	01/20/2015
Nebraska	Approved	04/30/2014
Nevada	Approved	04/30/2004
New Hampshire	Approved	02/26/2014
New Jersey	Approved	02/25/2010
New Mexico	Approved	11/14/2013
New York	Approved	05/13/2004

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	03/16/2005
North Dakota	Approved	10/06/2015
Ohio	Approved	05/11/2010
Oklahoma	Approved	09/30/2014
Oregon	Approved	12/22/2010
Pennsylvania	Approved	02/27/2014
Puerto Rico	Approved	09/05/2014
Rhode Island	Approved	08/05/2014
South Carolina	Approved	08/18/2014
South Dakota	Approved	11/26/2013
Tennessee	Approved	11/03/2014
Texas	Approved	04/20/2005
Utah	Approved	01/18/2011
Vermont	Approved	09/11/2014
Virgin Islands	Approved	04/16/2020
Virginia	Approved	03/25/2005
Washington	Approved	01/22/2010
West Virginia	Approved	09/18/2014
Wisconsin	Approved	09/09/2011
Wyoming	Approved	03/21/2018



## Firm Operations

### Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

**This firm currently conducts 13 types of businesses.**

#### Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
U S. government securities broker
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Solicitor of time deposits in a financial institution
Broker or dealer selling oil and gas interests
Put and call broker or dealer or option writer
Investment advisory services
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Private placements of securities

## Firm Operations



### Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

### Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

<b>Name:</b>	PERSHING LLC
<b>CRD #:</b>	7560
<b>Business Address:</b>	ONE PERSING PLAZA JERSEY CITY, NJ 07399
<b>Effective Date:</b>	04/05/2004
<b>Description:</b>	EMERSON EQUITY ENTERED INTO A CLEARING AGREEMENT WITH PERSHING LLC WHEREBY EMERSON EQUITY WILL INTRODUCE CERTAIN BROKERAGE ACCOUNTS TO PERSHING AND PERSHING WILL PROVIDE CLEARING SERVICES TO SUCH ACCOUNTS ON A FULLY DISCLOSED BASIS.

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## Firm Operations

### Industry Arrangements



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**This firm does have books or records maintained by a third party.**

**Name:** PERSHING LLC

**CRD #:** 7560

**Business Address:** ONE PERSHING PLAZA  
JERSEY CITY, NJ 07339

**Effective Date:** 04/05/2004

**Description:** EMERSON EQUITY ENTERED INTO A CLEARING AGREEMENT WITH PERSHING LLC, WHEREBY EMERSON EQUITY WILL INTRODUCE CERTAIN BROKERAGE ACCOUNTS TO PERSHING AND PERSHING WILL MAINTAIN BOOKS AND RECORDS ON BEHALF OF EMERSON EQUITY.

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**This firm does have accounts, funds, or securities maintained by a third party.**

**Name:** PERSHING LLC

**CRD #:** 7560

**Business Address:** ONE PERSHING PLAZA  
JERSEY CITY, NJ 07399

**Effective Date:** 04/05/2004

**Description:** EMERSON EQUITY ENTERED INTO A CLEARING AGREEMENT WITH PERSHING LLC, WHEREBY EMERSON EQUITY WILL INTRODUCE CERTAIN BROKERAGE ACCOUNTS TO PERSHING AND PERSHING WILL MAINTAIN ACCOUNTS, FUNDS AND SECURITIES ON BEHALF OF EMERSON EQUITY.

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**This firm does have customer accounts, funds, or securities maintained by a third party.**

**Name:** PERSHING LLC

**CRD #:** 7560

**Business Address:** ONE PERSHING PLAZA  
JERSEY CITY, NJ 07399

**Effective Date:** 04/05/2004

**Description:** EMERSON EQUITY ENTERED INTO A CLEARING AGREEMENT WITH PERSHING LLC WHEREBY EMERSON EQUITY WILL INTRODUCE CERTAIN BROKERAGE ACCOUNTS TO PERSHING AND PERSHING WILL MAINTAIN ACCOUNTS, FUNDS AND SECURITIES AND PERFORM RELATED ACCOUNT CARRYING SERVICES ON BEHALF OF EMERSON EQUITY AND ITS CUSTOMERS.

## Firm Operations

### Industry Arrangements (continued)

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#### Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.





## Firm Operations

### Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

**This firm is not, directly or indirectly:**

- in control of
  - controlled by
  - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

**This firm is not directly or indirectly, controlled by the following:**

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	2	0



## Disclosure Event Details

### What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
  - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
  - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
  - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
    - A "pending" event involves allegations that have not been proven or formally adjudicated.
    - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
    - A "final" event has been concluded and its resolution is not subject to change.
  - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
    - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
    - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
    - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

### Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

#### Disclosure 1 of 2

**Reporting Source:** Regulator

**Current Status:** Final



**Allegations:** THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED AGAINST EMERSON EQUITY, LLC ("EMERSON" OR "RESPONDENT"). IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. THE COMMISSION FINDS THAT THESE PROCEEDINGS ARISE OUT OF RESPONDENT'S FAILURES TO COMPLY WITH REGULATION BEST INTEREST IN CONNECTION WITH RECOMMENDATIONS OF GWG HOLDINGS, INC. ("GWG") CORPORATE BONDS CALLED "L BONDS" TO RETAIL CUSTOMERS BETWEEN JUNE 30, 2020, THE COMPLIANCE DATE FOR REGULATION BEST INTEREST, AND APRIL 12, 2021 (THE "RELEVANT PERIOD"). DURING THE RELEVANT PERIOD, RESPONDENT, A DUALY REGISTERED BROKER-DEALER AND INVESTMENT ADVISER, AND ONE OF RESPONDENT'S REGISTERED REPRESENTATIVES WILLFULLY VIOLATED REGULATION BEST INTEREST'S CARE OBLIGATION, EXCHANGE ACT RULE 15L-1(A)(2)(II), WHEN THEY RECOMMENDED L BONDS TO 10 RETAIL CUSTOMERS WITHOUT EXERCISING REASONABLE DILIGENCE, CARE, AND SKILL TO HAVE A REASONABLE BASIS TO BELIEVE THE RECOMMENDATIONS WERE IN THE BEST INTEREST OF EACH PARTICULAR CUSTOMER BASED ON THAT RETAIL CUSTOMER'S INVESTMENT PROFILE AND THE POTENTIAL RISKS, REWARDS, AND COSTS ASSOCIATED WITH THE RECOMMENDATION (THE "CUSTOMER-SPECIFIC" PRONG OF THE CARE OBLIGATION). DURING THE RELEVANT PERIOD, RESPONDENT WILLFULLY VIOLATED REGULATION BEST INTEREST'S COMPLIANCE OBLIGATION, EXCHANGE ACT RULE 15L-1(A)(2)(IV), WHEN IT FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE WRITTEN POLICIES AND PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REGULATION BEST INTEREST. AS A RESULT OF RESPONDENT'S WILLFUL VIOLATIONS OF REGULATION BEST INTEREST'S CARE OBLIGATION AND COMPLIANCE OBLIGATION, IT WILLFULLY VIOLATED REGULATION BEST INTEREST'S GENERAL OBLIGATION.

**Initiated By:** UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 08/11/2025

**Docket/Case Number:** 3-22507

**Principal Product Type:** Debt - Corporate

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:** Cease and Desist


**Other Sanction(s)/Relief Sought:**
**Resolution:** Order

**Resolution Date:** 08/11/2025

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$100,000.00  
Disgorgement/Restitution  
Cease and Desist/Injunction

**Other Sanctions Ordered:**
**Sanction Details:** THE FIRM IS ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULES 15L-1(A)(1) AND 15L-1(A)(2) UNDER THE EXCHANGE ACT, IS CENSURED, AND SHALL PAY \$4,035 IN DISGORGEMENT, \$1,006 IN PREJUDGMENT INTEREST, AND A CIVIL MONEY PENALTY OF \$100,000.

**Regulator Statement** EMERSON EQUITY LLC WILLFULLY VIOLATED RULES 15L-1(A)(1), 15L-1(A)(2)(II), AND 15L-1(A)(2)(IV) UNDER THE EXCHANGE ACT. ACCORDINGLY IT IS HEREBY ORDERED THAT RESPONDENT CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULES 15L-1(A)(1) AND 15L-1(A)(2) UNDER THE EXCHANGE ACT, IS CENSURED, AND SHALL PAY \$4,035 IN DISGORGEMENT, \$1,006 IN PREJUDGMENT INTEREST, AND A CIVIL MONEY PENALTY OF \$100,000.

**Reporting Source:** Firm

**Current Status:** Final

**Allegations:** THE SEC FOUND THAT RESPONDENT VIOLATED 15L-1(A)(1) (GENERAL BEST INTEREST OBLIGATION), 15L-1(A)(2)(II) (CARE OBLIGATION), AND 15L-1(A)(2)(IV) (COMPLIANCE OBLIGATION) UNDER THE EXCHANGE ACT.

**Initiated By:** SECURITIES AND EXCHANGE COMMISSION

**Date Initiated:** 08/11/2025

**Docket/Case Number:** 3-22507



<b>Principal Product Type:</b>	Other
<b>Other Product Type(s):</b>	L-BONDS
<b>Principal Sanction(s)/Relief Sought:</b>	Cease and Desist
<b>Other Sanction(s)/Relief Sought:</b>	CENSURE; PAYMENT OF DISGORGEMENT, PREJUDGMENT INTEREST, AND CIVIL MONEY PENALTY.
<b>Resolution:</b>	Order
<b>Resolution Date:</b>	08/11/2025
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$100,000.00 Disgorgement/Restitution Cease and Desist/Injunction
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	THE FIRM WAS ORDERED TO PAY \$100,000 IN CIVIL PENALTIES, \$4,035 DISGORGEMENT, \$1,006 IN PREJUDGMENT INTEREST, AND WAS ORDERED TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULES 15L-1(A)(1) AND 15L-1(A)(2) UNDER THE EXCHANGE ACT. THE FULL COST OF THE MONETARY SANCTIONS IS THE RESPONSIBILITY OF THE FIRM, AND NONE OF THE PENALTY WAS WAIVED. FULL PAYMENT WAS MADE ON AUGUST 11, 2025.
<b>Firm Statement</b>	THE FIRM PAID ALL REQUIRED PENALTIES AND DISGORGEMENT (INCLUDING INTEREST) ON AUGUST 11, 2025. THE FIRM IS IN COMPLIANCE WITH THE CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF RULES 15L-1(A)(1) AND 15L-1(A)(2) UNDER THE EXCHANGE ACT.

## Disclosure 2 of 2

<b>Reporting Source:</b>	Regulator
<b>Current Status:</b>	Final
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM AND ITS OWNER CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THEY FAILED TO ESTABLISH, MAINTAIN AND ENFORCE A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA'S SUITABILITY RULE AS IT PERTAINS TO SHORT-TERM TRADING OF MUTUAL FUND CLASS A AND CLASS B SHARES, AND FURTHER FAILED TO REASONABLY SUPERVISE SHORT-TERM MUTUAL FUND TRADING ACTIVITY BY ONE OF THE FIRM'S REGISTERED REPRESENTATIVES. THE FINDINGS



STATED THAT THE FIRM AND THE OWNER'S REVIEW OF MUTUAL FUND TRANSACTIONS WAS LIMITED TO THE OWNER'S MANUAL REVIEW OF A DAILY ORDER/TRADE STATUS REPORT THAT LACKED CRITICAL INFORMATION SUCH AS THE MUTUAL FUND SHARE CLASS, THE MUTUAL FUND HOLDING PERIOD, MUTUAL FUND SALES CHARGES, AND INVESTOR PROFILES THAT WOULD HAVE ALLOWED THE FIRM AND THE OWNER TO DETECT THAT THE REPRESENTATIVE WAS ENGAGED IN UNSUITABLE MUTUAL FUND TRADING. THE FIRM DID NOT USE ANY EXCEPTION REPORTS OR OTHER TOOLS TO REVIEW MUTUAL FUND TRADING ACTIVITY FOR SUITABILITY. AS A RESULT, THE REPRESENTATIVE'S UNSUITABLE TRADING IN HIS CUSTOMERS' ACCOUNTS CONTINUED UNABATED FOR MORE THAN FIVE YEARS, CAUSING THEM TO INCUR FRONT-END LOADS AND/OR CONTINGENT DEFERRED SALES CHARGES OF \$1,641,929.94. THE REPRESENTATIVE ALSO ENGAGED IN FREQUENT MUTUAL FUND SWITCHING, WHICH OCCURS WHEN A CUSTOMER SELLS MUTUAL FUND SHARES AND REINVESTS THE PROCEEDS IN ANOTHER MUTUAL FUND FAMILY, THUS INCURRING ADDITIONAL CHARGES AND COMMISSIONS.

**Initiated By:** FINRA

**Date Initiated:** 12/22/2021

**Docket/Case Number:** [2020066078202](#)

**Principal Product Type:** Mutual Fund(s)

**Other Product Type(s):**

**Principal Sanction(s)/Relief Sought:**

**Other Sanction(s)/Relief Sought:**

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Resolution Date:** 12/22/2021

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Sanctions Ordered:** Censure  
Monetary/Fine \$60,000.00  
Disgorgement/Restitution

**Other Sanctions Ordered:** PLUS INTEREST ON RESTITUTION



<b>Sanction Details:</b>	THE FIRM WAS CENSURED, FINED \$60,000 AND ORDERED TO PAY \$1,641,929.94, PLUS INTEREST, IN RESTITUTION TO CUSTOMERS. FINE PAID IN FULL ON DECEMBER 31, 2021.
<hr/>	
<b>Reporting Source:</b>	Firm
<b>Current Status:</b>	Final
<b>Allegations:</b>	THE FIRM FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM, INCLUDING WRITTEN PROCEDURES, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH FINRA'S SUITABILITY RULE AS IT PERTAINED TO SHORT-TERM TRADING OF MUTUAL FUND A AND B SHARES FROM JANUARY, 2015 - JUNE, 2020.
<b>Initiated By:</b>	FINANCIAL INDUSTRY REGULATORY AUTHORITY
<b>Date Initiated:</b>	03/09/2021
<b>Docket/Case Number:</b>	<a href="#">2020066078202</a>
<b>Principal Product Type:</b>	Mutual Fund(s)
<b>Other Product Type(s):</b>	
<b>Principal Sanction(s)/Relief Sought:</b>	Restitution
<b>Other Sanction(s)/Relief Sought:</b>	CIVIL AND ADMINISTRATIVE PENALT(IES)/FINE(S)
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Resolution Date:</b>	12/22/2021
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$65,000.00 Disgorgement/Restitution Suspension
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	DOMINIC BALDINI WAS SUSPENDED IN ALL PRINCIPAL CAPACITIES FOR 20 BUSINESS DAYS, TO BE SERVED FROM JANUARY 18, 2022 THROUGH FEBRUARY 14, 2022. THE FINE OF \$65,000 WAS SPLIT BETWEEN THE FIRM (\$60,000) AND MR. BALDINI (\$5,000). FURTHER, THE FIRM WAS ORDERED TO PAY RESTITUTION IN THE AMOUNT OF \$2,013,071.20. THE MAJORITY OF THIS (\$1,613,168.28) WAS PAID PRIOR TO THE AWC, WITH THE BALANCE PAID ON 12/31/2021.
<b>Firm Statement</b>	IMMEDIATELY UPON NOTIFICATION FROM FINRA OF THE EVENTS



OUTLINED IN THE ENFORCEMENT ACTION, THE REPRESENTATIVE WAS TERMINATED, WE BEGAN CONDUCTING OUR OWN INTERNAL REVIEW OF THE MATTER INCLUDING IMMEDIATELY CALCULATING AND BEGINNING RESTITUTION PAYMENTS, AS WELL AS UPDATING THE INTERNAL POLICIES AND PROCEDURES TO BETTER ENSURE AGAINST SIMILAR EVENTS IN THE FUTURE. AS PROVIDED IN THE AWC, THE FIRM AND MR. BALDINI WERE CREDITED FOR EXTRAORDINARY COOPERATION.

**End of Report**



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