

BrokerCheck Report

JOSEPH EDMUND FLORES DE MENESES JR

CRD# 2902533

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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:
 - o 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
 - o 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



For additional information about the contents of this report, please refer to the User Guidance or 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.

JOSEPH E. FLORES DE MENESES JR

CRD# 2902533

This broker is not currently registered.

Report Summary for this Broker

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

Broker Qualifications

This broker is not currently registered.

This broker has passed:

- 1 Principal/Supervisory Exam
- 2 General Industry/Product Exams
- 2 State Securities Law Exams

Registration History

This broker was previously registered with the following securities firm(s):

- B COR CLEARING LLC**
CRD# 117176
EDISON, NJ
04/2013 - 04/2014
- B DIRECT ACCESS PARTNERS LLC**
CRD# 120950
NEW YORK, NY
10/2008 - 05/2013
- B LIGHTHOUSE FINANCIAL GROUP, LLC**
CRD# 103734
NEW YORK, NY
05/2005 - 10/2008

**Disclosure Events**

This broker has been involved in one or more disclosure events involving certain final criminal matters, regulatory actions, civil judicial proceedings, or arbitrations or civil litigations.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1
Civil Event	1

Broker Qualifications



Registrations

This section provides the self-regulatory organizations (SROs), states and U.S. territories the broker is currently registered and licensed with, the category of each registration, and the date on which the registration became effective. This section also provides, for each firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.



Broker Qualifications

Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below. A passed exam or exam waiver does not permit a broker to do business without an active SRO or state registration.

This individual has passed 1 principal/supervisory exam, 2 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
B General Securities Principal Examination	Series 24	09/18/2003

General Industry/Product Exams

Exam	Category	Date
B Limited Representative-Equity Trader Exam	Series 55	08/07/2001
B General Securities Representative Examination	Series 7	07/31/1997

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	09/04/1997
B Uniform Securities Agent State Law Examination	Series 63	08/25/1997

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at www.finra.org/brokerqualifications/registeredrep/.

Broker Qualifications



Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following securities firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 04/2013 - 04/2014	COR CLEARING LLC	117176	EDISON, NJ
B 10/2008 - 05/2013	DIRECT ACCESS PARTNERS LLC	120950	NEW YORK, NY
B 05/2005 - 10/2008	LIGHTHOUSE FINANCIAL GROUP, LLC	103734	NEW YORK, NY
B 01/2008 - 10/2008	MULTITRADE SECURITIES LLC	47485	NEW YORK, NY
B 06/2005 - 04/2006	GENESIS SECURITIES, LLC	46992	NEW YORK, NY
B 11/2001 - 01/2005	CARLIN EQUITIES CORP.	31295	NEW YORK, NY
B 07/2001 - 10/2001	ANDOVER BROKERAGE, L.L.C.	33848	MONTEBELLO, NY
B 05/2000 - 10/2000	ON-SITE TRADING, INC.	30271	GREAT NECK, NY
B 08/1997 - 04/1998	PRUDENTIAL SECURITIES INCORPORATED	7471	NEW YORK, NY

Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

Employment	Employer Name	Position	Investment Related	Employer Location
No information reported.				

Disclosure Events



What you should know about reported disclosure events:

- 1. **Disclosure events in BrokerCheck reports come from different sources:**
 - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, their employing firms, and regulators. When more than one source reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions are separated by a solid line with the reporting source labeled.

For your convenience, below is a matrix of the number and status of regulatory disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Final	On Appeal
Regulatory Event	1	0
Civil Event	1	0



Disclosure Event Details

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

Regulatory - Final

This type of disclosure event involves a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations.

Disclosure 1 of 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Suspension
Date Initiated:	12/23/2014
Docket/Case Number:	2014040887201
Employing firm when activity occurred which led to the regulatory action:	N/A
Product Type:	No Product
Allegations:	RESPONDENT FLORES DE MENESES FAILED TO RESPOND TO FINRA REQUEST FOR INFORMATION.
Current Status:	Final
Resolution:	LETTER
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	03/26/2015
Sanctions Ordered:	Bar (Permanent)



If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?

No

(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?

(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or



(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Sanction 1 of 2

Sanction Type: Bar (Permanent)
Capacities Affected: All Capacities
Duration: Indefinite
Start Date: 03/26/2015
End Date:

Sanction 2 of 2

Sanction Type: Suspension
Capacities Affected: ANY CAPACITY
Duration: N/A
Start Date: 01/16/2015
End Date: 03/25/2015

Regulator Statement

PURSUANT TO FINRA RULE 9552(H) AND IN ACCORDANCE WITH FINRA'S NOTICE OF SUSPENSION AND SUSPENSION FROM ASSOCIATION LETTERS DATED DECEMBER 23, 2014 AND JANUARY 16, 2015, RESPECTIVELY, ON MARCH 26, 2015, FLORES DEMENESES IS BARRED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY. RESPONDENT FAILED TO REQUEST TERMINATION OF HIS SUSPENSION WITHIN THREE MONTHS OF THE DATE OF THE NOTICE OF SUSPENSION; THEREFORE, HE IS AUTOMATICALLY BARRED FROM ASSOCIATION WITH ANY FINRA MEMBER



IN ANY CAPACITY.



Civil - Final

This type of disclosure event involves an injunction issued by a court in connection with investment-related activity or a finding by a court of a violation of any investment-related statute or regulation.

Disclosure 1 of 1

Reporting Source:	Regulator
Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Relief Sought:	Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Injunction Monetary Penalty other than Fines
Date Court Action Filed:	04/14/2014
Product Type:	No Product
Type of Court:	Federal Court
Name of Court:	United States District Court for the Southern District of New York
Location of Court:	New York, NY
Docket/Case #:	13-CV-3074
Employing firm when activity occurred which led to the action:	Direct Access Partners LLC
Allegations:	SEC Press Release 2014-74 / April 14, 2014: The SEC announced another round of charges in its ongoing case against several individuals involved in a massive kickback scheme to secure the bond trading business of a state-owned Venezuelan bank. The SEC alleges that two executives at a New York City-based brokerage firm were integral participants in the wide-ranging fraud. Joseph DeMeneses, who was the firm's managing partner of global strategy and another individual, who was a co-founder and CEO of the firm, devised and facilitated sham arrangements to conceal multi-million dollar kickback payments to a high-ranking Venezuelan finance official of the bank. In one instance, DeMeneses made kickback payments from funds he controlled to a shell entity controlled by the Venezuelan official, and the other executive arranged for the firm to reimburse DeMeneses. The allegations were made in a second amended complaint that the SEC submitted in federal court in Manhattan as part of its pending action against four individuals with ties to the respondent's firm as well as the head of the firm's Miami office. All were charged last year for their roles in the scheme. In a parallel action, the U.S. Attorney's Office for the Southern District of New York and the U.S. Department of Justice's Criminal Division announced criminal charges against the respondent.



Current Status:	Final
Resolution:	Judgment Rendered
Resolution Date:	04/06/2016
Sanctions Ordered or Relief Granted:	Disgorgement Injunction Other: restrained; with prejudgment interest on disgorgement
Capacities 1 of 1	
Capacities Affected:	n/a
Duration:	permanently
Start Date:	04/06/2016
End Date:	
Monetary Sanction 1 of 1	
Monetary Sanction:	Disgorgement
Total Amount:	\$2,670,612.00
Portion against individual:	2670612
Date Paid:	
Portion Waived:	No
Amount Waived:	
Regulator Statement	SEC Litigation Release 23513 / April 8, 2016: The Securities and Exchange Commission announced that a Judge of the United States District Court for the Southern District of New York entered final judgment against defendant ("Respondent"). Accordingly, the judgments permanently enjoined the defendant from violating Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and ordered defendant DeMeneses and others to pay \$42,506,171 in disgorgement and prejudgment interest. The disgorgement and prejudgment interest ordered by the judgment was deemed satisfied by forfeiture order entered in parallel criminal case brought against the defendant by the United States Attorney's Office for the Southern District of New York. Specifically, final judgment as to defendant Joseph Flores Demeneses Jr.: that defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5



promulgated thereunder, by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security, and as further set forth in this judgment. Defendant is liable for disgorgement of \$2,670,612, representing his profits gained as a result of the conduct alleged in the Second Amended Complaint, together with prejudgment interest.

End of Report



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