

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
OFFICE OF HEARING OFFICERS**

RECEIVED
2008 MAY -6 P 4: 28
REGISTRATION & DISCLOSURE

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

BARRON MOORE, INC. (CRD No. 123521),

**MIDAS SECURITIES, LLC (CRD No.
103680),**

**WORLD TRADE FINANCIAL CORPORATION
(CRD No. 42638),**

JASON TROY ADAMS (CRD No. 2137404),

**FRANK EDWARD BRICKELL (CRD No.
3257725),**

**BENJAMIN ALLAN CENTENO (CRD No.
4213394),**

**PATRICK FRANCIS HARTE, JR. (CRD No.
1865650),**

**WILLIAM E. KASSAR, JR.
(CRD No. 2245223).**

JAY S. LEE (CRD No. 4338187),

**RODNEY PRESTON MICHEL (CRD No.
1275392),**

KATHERINE ANNE MOORE (CRD 1342145),

AND

**JEFFREY KEN SANTOHIGASHI (CRD No.
4212326),**

RESPONDENTS.

**DISCIPLINARY PROCEEDING
No. 2005000075703**

HEARING OFFICER: ANDREW H. PERKINS

**ORDER ACCEPTING
OFFER OF SETTLEMENT BY
JEFFREY SANTOHIGASHI**

000020128 2008

INTRODUCTION

Disciplinary Proceeding No. 2005000075703 was filed on March 31, 2008, by the Department of Enforcement of the Financial Industry Regulatory Authority ("FINRA"). Respondent Jeffrey Santohigashi submitted an Offer of Settlement ("Offer") to Complainant on April 16, 2008. Pursuant to NASD Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC"), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to NASD Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Respondent Jeffrey Santohigashi was registered with Midas Securities, LLC as a General Securities Representative from April 2003 through February 2006. Santohigashi was first registered as a General Securities Representative in December 2000. He is currently registered with another FINRA member firm as both a General Securities Representative. He has no relevant disciplinary history.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:¹

Santohigashi's Customer

Santohigashi's customer, a Bulgarian national, opened a brokerage account at Midas Securities on or about December 4, 2003. Both Santohigashi and another registered representative at Midas Securities signed the new account form as the registered representatives on this account. During the time period in which the misconduct described herein took place, both Santohigashi and the other representative shared responsibility for the account and split commissions from activity in the account. During the time period in which the misconduct described herein took place, the customer was an investor relations/public relations consultant. At times, Santohigashi and the other representative introduced the customer to other companies as potential clients, and received shares of some of those companies as compensation for providing these introductions.

Distribution and Sale of Unregistered iStorage Networks (IOGN) Stock

IOGN was incorporated in or around 1997 as Camryn Information Services. Camryn did not begin operations until May 2004. It underwent a reverse merger, forward stock split, and name change to IOGN during the first week of November 2004. In its financial statements, IOGN described itself as a development-stage company as of October 31, 2004.

As of November 8, 2004, IOGN had four shareholders, each of whom had been a shareholder in IOGN's predecessor, Camryn Information Services, since at least July 1999, and each of whom owned at least 12.5% of the company's outstanding shares. Between November 9 and

¹ The findings herein are pursuant to Respondent Santohigashi's Offer of Settlement and are not binding on any other person or entity named as a respondent in this or any other proceeding.

November 15, three of these shareholders engaged in a large distribution of their IOGN shares, transferring 9,502,000 shares—nearly one-third of the total issued and outstanding shares of the company—to approximately 65 individuals and entities. One person, who owned 12.5% of IOGN's outstanding stock, transferred 760,000 shares to Santohigashi's customer in the form of a certificate dated November 15, 2004. On November 26, 2004, the customer deposited his 760,000 IOGN shares into his Midas Securities account in certificate form.

When IOGN began trading on December 9, 2004, its stock was a thinly-traded penny stock quoted on the Pink Sheets. IOGN described itself as a development-stage company in the financial statements it posted on the Pink Sheets website (pinksheets.com) the day before trading began. During the first 30 days of trading, IOGN traded on 24 days with an average daily trading volume on those 24 days of 357,781 shares and an average price of \$.166 per share.

On 16 days between December 20, 2004 and February 11, 2005, Santohigashi and the other registered representative sold all 760,000 IOGN shares held by the customer into the market in agency trades. The customer realized approximately \$102,000 in proceeds from these sales of IOGN, which generated approximately \$2,200 in commissions. The proceeds of these sales were wired out of the account as soon as they accrued.

Santohigashi's Failure to Fulfill His Obligations in Connection with the Sale of Unregistered Securities

No registration statement covering the sales was ever filed with the Securities and Exchange Commission. Neither IOGN nor its predecessor ever filed a registration statement for the sale of its stock.

Santohigashi knew or should have known information that required him to conduct further inquiry to determine whether the securities were registered or were going to be sold in transactions that were exempt from the registration requirements of Section 5 of the Securities Act of 1933. He knew or should have known that:

- a. IOGN was a little-known development stage issuer that had a very short operating history;
- b. IOGN had recently undergone a reverse merger, forward stock split, and a name change;
- c. IOGN had never filed a registration statement with the SEC;
- d. IOGN's stock was thinly traded in the over-the-counter market and quoted on the Pink Sheets; and
- e. IOGN's stock had just begun trading shortly before the initiation of trading by the customer.

Santohigashi was in possession of information, from a stock certificate, account statements, and sell orders he received and processed, that should have alerted him to the necessity of conducting some inquiry into the circumstances surrounding the sales of IOGN. Santohigashi personally received copies of the stock certificates that were deposited in the account, and personally took or was aware of orders from the customer for some or all of the illicit stock sales. He knew or should have known that the customer deposited a large number of newly-issued shares in certificate form into his Midas Securities account and sold them all within three months of their deposit. As a result of his involvement in the account, Santohigashi knew that the primary activity in the customer's account was deposits and sales of thinly-traded Pink Sheet stocks of little-known issuers, including IOGN.

Santohigashi failed to perform an adequate inquiry into the registration or exemption status of the shares of IOGN deposited in and sold from the account. For instance, he failed to take any steps to determine whether IOGN had ever filed a registration statement, whether the customer was affiliated with IOGN, whether he paid for the shares, or what percentage of the outstanding shares of IOGN were owned by the customer.

Based on the foregoing, Respondent engaged in conduct that violated Section 5 of the Securities Act of 1933, thereby violating NASD Conduct Rule 2110.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent be:

1. suspended from association with any FINRA member firm for a period of twenty calendar days; and
2. fined in the amount of \$10,000.

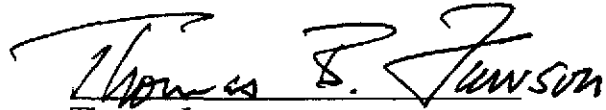
The sanctions imposed herein shall be effective on a date set by FINRA staff.

SO ORDERED.

Dated: April 30, 2008

FINRA

Signed on behalf of the
Director of ODA, by delegated authority

A handwritten signature in black ink, appearing to read "Thomas B. Lawson", written over a horizontal line.

Thomas Lawson

Vice President

FINRA Department of Enforcement

1801 K Street, N.W.

Washington, DC 20006

(202) 974-2800

FAX: (202) 974-2805