

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

JASON JOHN MORAWSKI
(CRD No. 2451447),

Respondent.

Disciplinary Proceeding
No. 2005003382401

DEFAULT DECISION

Hearing Officer – SW

DATE: April 11, 2008

Respondent was barred for violating (i) NASD Conduct Rule 2110 and IM-1000-1 by willfully failing to disclose on Form U-4s, filed via seven different FINRA members, up to four civil judgments that had been filed against him, and (ii) NASD Conduct Rule 2110 and Procedural Rule 8210 by failing to respond to requests for information issued by the FINRA staff.

Appearances

Lynn M. Kaseta, Esq., Senior Regional Counsel, Woodbridge, NJ, for the
Department of Enforcement.

No appearance by or for Respondent Jason John Morawski.

DECISION

I. Introduction

On November 30, 2007, the FINRA Department of Enforcement (“Enforcement”) filed the attached two-count Complaint against Respondent Jason John Morawski (“Respondent”), alleging that Respondent: (i) willfully failed to disclose material information regarding unsatisfied judgments on Uniform Application for Securities Industry Registration or Transfer (“Form U-4”) that he filed via seven FINRA member firms, in violation of NASD Conduct Rule 2110 and IM-1000-1; and (ii) failed to respond

to requests for information issued pursuant to Rule 8210, in violation of NASD Conduct Rule 2110 and Procedural Rule 8210.

On February 25, 2008, Enforcement filed a Motion for Entry of Default Decision ("Motion"), supported by the Declaration of Lynn M. Kaseta, Esq., Senior Regional Counsel in FINRA's Woodbridge, NJ office, and three exhibits.¹ For the reasons set forth below, the Hearing Officer grants Enforcement's Motion.

II. Respondent's Default

On November 30, 2007, Enforcement served the Complaint and Notice of Complaint on Respondent, via first-class and certified mail, at his two addresses of record in FINRA's Central Registration Depository ("CRD addresses") and at an alternative address provided to the staff by Respondent.² (CX-1, p. 1; CX-2, p. 17; DECL at ¶ 11). The U.S. Postal Service returned a receipt for the certified mailing sent to the alternative address, signed by "J. Morawski." (DECL at ¶ 13; CX-2, p. 18).

On December 31, 2007, Enforcement served the Second Notice of Complaint and Complaint on Respondent, via first-class and certified mail, at his two CRD addresses and the alternative address. (DECL at ¶ 15; CX-3, p. 2). On January 28, 2008, Respondent contacted the FINRA staff and acknowledged he had received the mail, and promised to respond. (DECL at ¶ 19). To date, Respondent has not filed an Answer to the Complaint. (DECL at ¶ 20).

¹ Hereinafter, the statements in the Motion for Entry of Default Decision will be designated as "Motion, p.," the statements in the Kaseta Declaration will be designated as "DECL at ¶," and Enforcement's exhibits will be designated as "CX-" with the appropriate page or paragraph number.

² Respondent's two CRD address are (i) [REDACTED] and (ii) [REDACTED] (CX-1, p. 1; DECL at ¶ 11). Respondent provided the FINRA staff with the address of [REDACTED] to which Enforcement added a discovered apartment number, [REDACTED] to create the alternative address. (DECL at ¶ 11; Complaint at ¶ 29).

The Hearing Officer finds that Respondent received actual notice of this proceeding based on the signed receipt and his telephone conversation with a FINRA staff member. In any event, the Hearing Officer finds that Enforcement complied with NASD Procedural Rule 9134(b)(1) by sending the mailings to Respondent's two CRD addresses and the alternative address.³ Therefore, Respondent also received effective constructive notice of this proceeding. Accordingly, the Hearing Officer finds that Respondent had notice of this proceeding and defaulted by failing to answer the Complaint.⁴

III. Findings of Fact and Conclusions of Law

A. Jurisdiction

Respondent passed the FINRA Series 7 examination to become a general securities representative on March 2, 1994. (CX-1, p. 50). From November 12, 1999 to January 8, 2007, Respondent was registered with the following seven FINRA member firms: (i) Glenn Michael Financial, Inc. ("Glenn Michael") from November 12, 1999 to April 20, 2001; (ii) Guru Investment Services, Ltd. ("Guru Investments") from March 23, 2001 to July 10, 2001; (iii) Kimberly Securities, Inc. ("Kimberly") from August 2, 2001 to November 12, 2001; (iv) Gilford Securities Incorporated ("Gilford") from November 26, 2001 to July 17, 2002; (v) J.P. Turner & Company, L.L.C. ("JP Turner") from July 2, 2002 to October 29, 2003; (vi) Brundyn Securities Inc. ("Brundyn Securities") from August 19, 2004 to December 6, 2004; and (vii) Windham Securities, Inc. ("Windham")

³ See *Department of Enforcement v. Verdiner*, Complaint No. CAF020004, 2003 NASD Discip. LEXIS 42, at * 5 n.1 (NAC Dec. 9, 2003) (finding that respondent received constructive notice when the complaint was mailed to respondent's CRD address).

⁴ The following Findings of Fact and Conclusions of Law incorporate the allegations in the attached Complaint, pursuant to NASD Rules 9215(f) and 9269, and *NASD Notice to Members* 99-77.

from March 30, 2005 to January 8, 2007. (CX-1, pp. 5-9; Complaint at ¶ 2). Respondent has not been associated with any FINRA member firm since January 8, 2007. (CX-1, p. 5).

Nevertheless, Respondent remains subject to FINRA jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of the NASD By-Laws, because (1) the Complaint was filed within two years after his association with Windham was terminated on January 8, 2007, and (2) the Complaint charges him with misconduct while he was associated with the above FINRA members, and with failures to provide information requested pursuant to Rule 8210 during the period of retained jurisdiction.

B. Respondent Failed to Disclose Unsatisfied Civil Judgments on His Form U-4s

Count one of the Complaint alleges that, from March 14, 2000 to December 31, 2006, Respondent willfully failed to disclose various unsatisfied civil judgments that had been filed against him on the Form U-4s that he filed with seven different FINRA member firms, in violation of NASD Conduct Rule 2110 and IM-1000-1.⁵ (Complaint at ¶¶ 3, 6-16; DECL at ¶ 8).

Specifically, the Complaint alleges that on March 14, 2000, the Fourth District Court in the County of Suffolk, State of New York entered a civil judgment in the amount of \$8,509.25 against Respondent ("March 2000 Judgment"), and Respondent failed to amend his Form U-4 filed via Glenn Michael to disclose the civil judgment. (Complaint at ¶¶ 6-7).

⁵ The NASD Conduct Rules on their face may apply only to member firms. However, NASD Conduct Rules regarding members are applicable to associated persons, such as Respondent, because NASD General Rule 0115(a) provides that associated persons "shall have the same duties and obligations as a member under these Rules."

On March 23, 2001, Respondent submitted or caused to be submitted a Form U-4 with Guru Investments on which Respondent willfully and falsely answered “no” to the question “Do you have any unsatisfied judgments or liens against you,” despite the outstanding March 2000 Judgment. (Complaint at ¶ 8).

On July 13, 2001, the First District Court in the County of Suffolk, State of New York entered a civil judgment in the amount of \$3,694.30 against Respondent (“July 2001 Judgment”). (Complaint at ¶ 9). On July 25, 2001, Respondent submitted or caused to be submitted a Form U-4 via Kimberly on which Respondent willfully and falsely answered “no” to the question “Do you have any unsatisfied judgments or liens against you,” despite the outstanding March 2000 Judgment and the July 2001 Judgment. (Complaint at ¶ 10).

On September 27, 2001, the First District Court in the County of Suffolk, State of New York entered a civil judgment in the amount of \$10,565.45 against Respondent (“September 2001 Judgment”), and Respondent failed to amend his Form U-4 filed with Kimberly to disclose the September 2001 Judgment. (Complaint at ¶ 11).

On November 20, 2001, Respondent submitted or caused to be submitted an initial Form U-4 via Gilford on which Respondent willfully and falsely answered “no” to the question “Do you have any unsatisfied judgments or liens against you,” despite the outstanding March 2000 Judgment, the July 2001 Judgment, and the September 2001 Judgment. (Complaint at ¶ 12).

On July 1, 2002, Respondent submitted or caused to be submitted an initial Form U-4 via JP Turner on which Respondent willfully and falsely answered “no” to the question “Do you have any unsatisfied judgments or liens against you,” despite the

outstanding March 2000 Judgment, the July 2001 Judgment, and the September 2001 Judgment. (Complaint at ¶ 13).

On August 16, 2004, Respondent submitted or caused to be submitted an initial Form U-4 via Brundyn Securities on which Respondent willfully and falsely answered “no” to the question “Do you have any unsatisfied judgments or liens against you,” despite the outstanding March 2000 Judgment, the July 2001 Judgment, and the September 2001 Judgment. (Complaint at ¶ 14).

On December 8, 2004, Respondent submitted or caused to be submitted an initial Form U-4 via Windham on which Respondent willfully and falsely answered “no” to the question “Do you have any unsatisfied judgments or liens against you,” despite the outstanding March 2000 Judgment, the July 2001 Judgment, and the September 2001 Judgment. (Complaint at ¶ 15).

On December 16, 2004, the Fourth District Court in the County of Suffolk, State of New York entered a civil judgment in the amount of \$10,782.70 against Respondent (“December 2004 Judgment”). (Complaint at ¶ 16; CX-1, pp. 39-40). Respondent failed to amend his Form U-4 filed via Windham to disclose the December 2004 Judgment until October 12, 2005. (*Id.*).

Article V, Section 2(a)(2) of the NASD By-Laws provides, in part, that any application for registration with FINRA shall contain such other reasonable information with respect to the applicant as FINRA may require. The Form U-4 specifically asks “Do you have any unsatisfied judgments or liens against you.”

Article V, Section 2(c) of the NASD By-Laws provides that every application for registration filed with FINRA shall be kept current at all times by supplementary amendments, via electronic process or such other process as FINRA may prescribe to the

original application. Such amendment to the application shall be filed with FINRA not later than 30 days after learning of the facts or circumstances giving rise to the amendment. Accordingly, the Form U-4 explicitly provides that applicants are under a continuing obligation to amend and update information required by the Form U-4 as changes occur, which would include information concerning unsatisfied judgments.

IM-1000-1 provides that “[t]he filing with [FINRA] of information with respect to membership or registration as a Registered Representative which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or the failure to correct such filing after notice thereof, may be deemed to be conduct inconsistent with just and equitable principles of trade. . .”

Because the question on a Form U-4 clearly calls for disclosure of unsatisfied judgments, a failure to provide accurate information about any unsatisfied judgment is a violation of NASD Conduct Rule 2110 and IM-1000-1.⁶

The allegations in the first cause of the Complaint, which are deemed admitted, are sufficient to establish that Respondent failed to disclose his unsatisfied civil judgments on his Form U-4s, in violation of NASD Conduct Rule 2110 and IM-1000-1.

Arguing that the question on the Form U-4 was clear and unambiguous, Enforcement argued that Respondent knew or should have known that he was required to disclose the civil judgments on each of the Form U-4s and that he chose not to do so.

The Form U-4 and its instructions clearly call for the information that Respondent omitted. In addition, the Hearing Officer finds that, in view of Respondent’s securities

⁶ *Robert E. Kauffman*, Exchange Act Rel. No. 33219 (Nov. 18, 1993), *aff’d*, *Robert E. Kauffman v. S.E.C.*, 40 F.3d 1240 (3rd Cir. 1994).

experience, Respondent should have known that the unsatisfied civil judgments needed to be disclosed.⁷ When Respondent was served with the March 2000 civil judgment, he had been in the securities industry for almost six years, a highly regulated industry that emphasizes the importance of accurately completing applications. (CX-1, p. 5; Complaint at ¶ 7).

Accordingly, the Hearing Officer finds that Respondent's failure to disclose the civil judgments on his Form U-4s was willful within the meaning of Article III, Section 4(f) of the NASD By-Laws.⁸

C. Respondent Failed to Respond to Requests for Information

The second cause of the Complaint alleges that Respondent failed to respond to letters from the FINRA staff requesting information regarding the allegations in cause one of the Complaint. (Complaint at ¶¶ 19-41; DECL at ¶ 10).

Specifically, the Complaint alleges that on February 26, 2007 and March 15, 2007, the FINRA staff sent requests for information to Respondent at his two CRD addresses, and at an address provided by Respondent, pursuant to NASD Procedural Rule 8210, via first-class and certified mail.⁹ (Complaint at ¶¶ 19, 24).

⁷ *Christopher LaPorte*, Exch. Act Rel. No. 39,171, 1997 SEC LEXIS 2058, at *8 (Sept. 30, 1997) (finding willfulness when respondent knew or should have known under the particular facts and circumstances that his conduct was improper).

⁸ Article III, Section 4(f) of the FINRA By-Laws provides, in part, that a person is subject to a "disqualification" with respect to membership, or association with a member, if such person has willfully made or caused to be made in any application for membership in a self-regulatory organization, or to become associated with a member of a self-regulatory organization, or in any report required to be filed with a self-regulatory organization, or in any proceeding before a self-regulatory organization, any statement which was at the time, and in light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such application, report, or proceeding any material fact which is required to be stated therein.

⁹ Enforcement sent the request to the address provided by Respondent, which is the alternate address [REDACTED] (Complaint at ¶ 29).

On March 26, 2007, the FINRA staff sent another request for information to Respondent at his two CRD addresses, the alternative address, and the address provided by Respondent, pursuant to NASD Procedural Rule 8210, via first-class and certified mail.¹⁰ (Complaint at ¶ 29). The U.S. Postal Service returned receipt cards signed by “J. Morawski” for the certified mailings sent to the alternative address and the address provided by Respondent, indicating delivery on March 28, 2007. (Complaint at ¶ 32).

In addition, on March 30, 2007, Respondent left a voice message with a FINRA staff member, acknowledging receipt of the Rule 8210 requests for information. (Complaint at ¶ 33). However, Respondent failed to respond to the FINRA staff’s request for information. (Complaint at ¶ 34).

On April 10, 2007, the FINRA staff sent another request for information to Respondent at his two CRD addresses, the alternative address, and the address provided by Respondent, pursuant to Procedural Rule 8210, via first-class and certified mail. (Complaint at ¶ 35). Respondent failed to respond in any manner to the April 10, 2007 request for information. (Complaint at ¶¶ 39, 41).

The Hearing Officer finds that Respondent received the March 26, 2007 requests for information based on the signed receipts and Respondent’s March 30, 2007 telephone message. (Complaint at ¶¶ 32, 33). In any event, Respondent is deemed to have received the requests for information that were sent to his CRD addresses pursuant to NASD Procedural Rule 8210(d). Failure to comply with Rule 8210 requests for information is a

¹⁰ The FINRA staff discovered an apartment number [REDACTED] for the address provided by Respondent (Complaint at ¶ 29).

serious violation because it subverts FINRA's ability to perform its regulatory responsibilities.¹¹

The allegations in the second cause of the Complaint, which are deemed admitted, are sufficient to establish that Respondent failed to respond to the FINRA staff's requests for information in violation of Procedural Rule 8210 and thereby in violation of NASD Conduct Rule 2110.¹²

IV. Sanctions

A. Respondent Willfully Failed To Disclose His Civil Judgments on His Form U-4s

For filing a false, misleading, or inaccurate Form U-4, the FINRA Sanction Guidelines recommend a fine ranging from \$2,500 to \$50,000, as well as the consideration of a 5 to 30 business-day suspension in all capacities.¹³ In egregious cases, such as those involving habitual misconduct, the Guidelines suggest a longer suspension of up to two years, and possibly even a bar.¹⁴

A Form U-4 is fundamental to the business and integrity of the securities industry. It is "used by all the self-regulatory organizations, including the [FINRA], state regulators, and broker-dealers to monitor and determine the fitness of securities professionals,"¹⁵ and "serves as a vital screening device for hiring firms and [FINRA]

¹¹ See, e.g., *Richard J. Rouse*, Exch. Act Rel. No. 32,685, 1993 SEC LEXIS 1831, at *7 (1993); *Joseph G. Chiulli*, Exch. Act Rel. No. 42,359, 2000 SEC LEXIS 112, at *16 (Jan. 28, 2000) (noting that Rule 8210 provides a means for FINRA to conduct its investigations effectively, and emphasizing that FINRA members and associated persons must fully cooperate with requests for information).

¹² See *Dep't of Enforcement v. Baxter*, Complaint No. C07990016, 2000 NASD Discip. LEXIS 3, at **21, 25 (NAC Apr. 19, 2000).

¹³ *FINRA Sanction Guidelines*, p. 73 (2007), available at <http://www.finra.org/web/groups/enforcement/documents/enforcement/p011038.pdf>.

¹⁴ *Id.* at 74.

¹⁵ *In re Rosario R. Ruggiero*, Exch. Act Rel. No. 37,070, 1996 SEC LEXIS 990, at *8-9 (Apr. 5, 1996).

against individuals with 'suspect history.'"¹⁶ "The candor and forthrightness of applicants is critical to the effectiveness of this screening process."¹⁷ This is far more than a mere technical violation: "[a] material misrepresentation on a Form U-4 is a serious offense."¹⁸

In this case, Enforcement requested that the Hearing Officer bar Respondent for repeatedly and willfully failing to disclose his civil judgments.

Respondent's actions constitute habitual misconduct. Over a four year period, Respondent failed to disclose to seven different FINRA members up to four civil judgments filed against him. According, the Hearing Officer accepts Enforcement's recommendation. The Hearing Officer bars Respondent for repeatedly and willfully failing to disclose on his Form U-4s the several civil judgments that had been filed against him, in violation of NASD Conduct Rule 2110 and IM-1000-1.

B. Respondent Failed to Respond to Requests for Information

Enforcement recommended that Respondent be barred for failing to respond to the requests for information issued by the FINRA staff, pursuant to NASD Procedural Rule 8210, as alleged in count two of the Complaint.

¹⁶ *District Business Conduct Committee v. Prewitt*, Complaint No. C07970022, 1998 NASD Discip. LEXIS 37, at *8 (NAC Aug. 17, 1998). See also, e.g., *In re Thomas R. Alton*, Exch. Act Rel. No. 36,058, 1995 SEC LEXIS 1975, at *4 (Aug. 4, 1995).

¹⁷ *Alton*, 1995 SEC LEXIS 1975, at *4. See also, e.g., *District Business Conduct Committee v. Perez*, Complaint No. C10950077, 1996 NASD Discip. LEXIS 51, at *7 (NAC Nov. 12, 1996) ("Full and accurate disclosures on a Form U-4 are critical to the securities industry because member firms must be able to assess properly whether an individual should be employed, and, if so, subject to enhanced supervision").

¹⁸ *Alton*, 1995 SEC LEXIS 1975, at *4.

The FINRA Sanction Guidelines provide that a bar should be standard when an individual respondent does not respond in any manner to a request issued pursuant to Rule 8210.¹⁹ The record does not indicate the existence of any mitigating factors that would warrant a lesser sanction.

Accordingly, the Hearing Officer accepts Enforcement's recommendation and bars Respondent for failing to respond to the requests for information

V. Order

Respondent Jason John Morawski is barred from associating with any FINRA member firm in any capacity for violating (i) NASD Conduct Rule 2110 and IM-1000-1 by willfully failing to disclose on Form U-4s, filed via seven different FINRA members, up to four civil judgments that had been filed against him, and (ii) NASD Conduct Rule 2110 and Procedural Rule 8210 by failing to respond to requests for information issued by the FINRA staff. The bars will become effective immediately upon this Default Decision becoming the final disciplinary action of FINRA.


Sharon Witherspoon
Hearing Officer

Dated: Washington, DC
April 11, 2008

Copies to:

Jason J. Morawski (via FedEx and first class mail)
Lynn M. Kaseta, Esq. (via electronic and first-class mail)
John M. D'Amico, Esq. (via electronic and first-class mail)
Mark P. Dauer, Esq. (via electronic and first-class mail)
David R. Sonnenberg, Esq. (via electronic and first-class mail)

¹⁹ *Guidelines* at 35.

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

**JASON JOHN MORAWSKI
(CRD No. 2451447),**

RESPONDENT.

**DISCIPLINARY PROCEEDING
No. 2005003382401**

COMPLAINT

The Department of Enforcement alleges:

1. Respondent Jason John Morawski (Morawski) became registered with FINRA (f/k/a National Association of Securities Dealers or NASD) on March 2, 1994 as a General Securities Representative.
2. From September 15, 1999 to December 31, 2006, Morawski was registered with the following firms:

Firm

Dates of Employment

Glenn Michael Financial, Inc.	September 15, 1999 to March 21, 2001
Guru Investment Services, Inc.	March 23, 2001 to July 10, 2001
Kimberly Securities, Inc.	July 25, 2001 to November 12, 2001
Gilford Securities, Inc.	November 20, 2001 to June 26, 2002
J.P. Turner & Company, L.L.C.	July 1, 2002 to October 19, 2003
Brundyn Securities, Inc.	August 16, 2004 to December 6, 2004
Windham Securities, Inc.	December 8, 2004 to December 31, 2006

Morawski has not been associated with a member firm since December 31, 2006.

FINRA retains jurisdiction over Morawski for purposes of this Complaint

pursuant to Article V, Section 4, of FINRA By-Laws in that the misconduct alleged in the First Cause of Action occurred while Morawski was associated with various member firms; the violations of NASD Procedural Rule 8210 alleged in the Second Cause of Action occurred within two years after Windham Securities, Inc. (Windham) filed a Form U5 terminating his registration; and, this Complaint was filed within two years after that termination.

OVERVIEW

3. From March 14, 2000 to December 31, 2006 (the relevant time period), Morawski willfully failed to disclose material facts on Forms U4 that he filed with seven different member firms. Specifically, Morawski failed to disclose various unsatisfied judgments that had been filed against him. Morawski also failed to respond to requests for information issued by FINRA staff. This conduct was in violation of NASD Procedural Rule 8210, NASD Conduct Rule 2110 and IM-1000-1.

FIRST CAUSE OF ACTION

Willful Failure to Disclose Material Information on Forms U4 (NASD Conduct Rule 2110 and IM-1000-1)

4. The Department realleges and incorporates by reference paragraphs 1-3 above.
5. Pursuant to Article V, Section 2(c), of the FINRA By-Laws, the information provided on a Form U4 must be kept current by means of amendments not later than 30 days after the registered representative learns of "the facts and circumstances giving rise to the amendment." This requirement was in effect during the relevant time period.

6. On September 15, 1999, Morawski submitted or caused to be submitted an initial Form U4 with Glenn Michael Financial, Inc. (Glenn Michael) that included a question as to whether Morawski had any unsatisfied judgments or liens against him. Morawski answered “no” to this question, which was true at that time.
7. On March 14, 2000, a civil judgment in the amount of \$8,509.25 was entered against Morawski by the Fourth District Court in the County of Suffolk, State of New York (March 14th judgment). Morawski willfully failed to amend his Form U4 at Glenn Michael to disclose this material fact.
8. On March 23, 2001, Morawski submitted or caused to be submitted an initial Form U4 with Guru Investment Services, Inc. (Guru) that included a question as to whether Morawski had any unsatisfied judgments or liens against him. Morawski answered “no” to this question, which was a false answer at that time. Specifically, Morawski willfully failed to disclose a material fact, namely the unsatisfied March 14th judgment, on such Form U4. Thereafter, Morawski willfully failed to disclose that material fact on his Form U4 at Guru.
9. On July 13, 2001, a civil judgment in the amount of \$3,694.30 was entered against Morawski by the First District Court in the County of Suffolk, State of New York (July 13th judgment).
10. On July 25, 2001, Morawski submitted or caused to be submitted an initial Form U4 with Kimberly Securities, Inc. (Kimberly) that included a question as to whether Morawski had any unsatisfied judgments or liens against him. Morawski answered “no” to this question, which was a false answer at that time. Specifically, Morawski willfully failed to disclose material facts, namely the

March 14th and July 13th judgments, on such Form U4. Thereafter, Morawski willfully failed to disclose those material facts on his Form U4 at Kimberly.

11. On September 27, 2001, a civil judgment in the amount of \$10,565.45 was entered against Morawski by the First District Court in the County of Suffolk, State of New York (September 27th judgment). Morawski willfully failed to amend his Form U4 at Kimberly to disclose this material fact.
12. On November 20, 2001, Morawski submitted or caused to be submitted an initial Form U4 with Gilford Securities, Inc. (Gilford) that included a question as to whether Morawski had any unsatisfied judgments or liens against him. Morawski answered "no" to this question, which was a false answer at that time.
Specifically, Morawski willfully failed to disclose material facts, namely the March 14th, July 13th and September 27th judgments, on such Form U4.
Thereafter, Morawski willfully failed to disclose those material facts on his Form U4 at Gilford.
13. On July 1, 2002, Morawski submitted or caused to be submitted an initial Form U4 with J.P. Turner & Company, L.L.C. (JP Turner) that included a question as to whether Morawski had any unsatisfied judgments or liens against him. Morawski answered "no" to this question, which was a false answer at that time.
Specifically, Morawski willfully failed to disclose material facts, namely the March 14th, July 13th and September 27th judgments, on such Form U4.
Thereafter, Morawski willfully failed to disclose those material facts on his Form U4 at JP Turner.

14. On August 16, 2004, Morawski submitted or caused to be submitted an initial Form U4 with Brundyn Securities, Inc. (Brundyn) that included a question as to whether Morawski had any unsatisfied judgments or liens against him. Morawski answered "no" to this question, which was a false answer at that time.

Specifically, Morawski willfully failed to disclose material facts, namely the March 14th, July 13th and September 27th judgments, on such Form U4.

Thereafter, Morawski willfully failed to disclose those material facts on his Form U4 at Brundyn.
15. On December 8, 2004, Morawski submitted or caused to be submitted an initial Form U4 with Windham that included a question as to whether Morawski had any unsatisfied judgments or liens against him. Morawski answered "no" to this question, which was a false answer at that time. Specifically, Morawski willfully failed to disclose material facts, namely the March 14th, July 13th and September 27th judgments, on such Form U4. Thereafter, Morawski willfully failed to disclose those material facts on his Form U4 at Windham.
16. On December 16, 2004 (December 16th judgment), a civil judgment in the amount of \$10,782.70 was entered against Morawski by the Fourth District Court in the County of Suffolk, State of New York. Morawski willfully failed to disclose this material fact to Windham, or amend his Form U4, until, at least, May 26, 2005.

On that date, Nassau County Sheriff's Department served an Income Execution Order relating to the December 16th judgment on Windham. Morawski's Form U4, however, was not amended to reflect that judgment until October 12, 2005.

17. As a result of this conduct, Morawski violated NASD Conduct Rule 2110 and IM-1000-1.

SECOND CAUSE OF ACTION

**Failure to Respond
(NASD Procedural Rule 8210 and NASD Conduct Rule 2110)**

18. The Department realleges and incorporates by reference paragraphs 1-17 above.
19. On February 26, 2007, FINRA's District 9B - New Jersey staff (staff) sent a letter to Morawski at his last known residential addresses as reflected in the records of FINRA's Central Registration Depository: [REDACTED] (CRD - Robin Lane Address) and [REDACTED] (CRD - Namdac Avenue Address). The staff also sent this letter to Morawski at [REDACTED] (Union Boulevard Address), a current address provided by Morawski. The letter requested, pursuant to NASD Procedural Rule 8210, that Morawski provide information concerning his failures to disclose various unsatisfied judgments on his Forms U4. The letter, which requested a response by March 12, 2007, was sent to each address via first-class and certified mail.
20. The first-class and certified mail envelopes sent to the CRD - Robin Lane Address were returned to the staff marked "UNABLE TO FORWARD."
21. The first-class and certified mail envelopes sent to the CRD - Namdac Avenue Address were returned to the staff marked "ATTEMPTED - NOT KNOWN."

22. The certified envelope sent to the Union Boulevard Address was returned to the staff marked "UNCLAIMED." The first-class envelope sent to the Union Boulevard Address was not returned to the staff.
23. Morawski failed to respond to the staff's requests for information referenced in paragraphs 19 to 22.
24. On March 15, 2007, the staff sent a letter to Morawski at his CRD – Robin Lane, CRD – Namdac Avenue and Union Boulevard Addresses, requesting, pursuant to NASD Procedural Rule 8210, that he provide information concerning his failure to disclose various unsatisfied judgments filed against him. The letter, which requested a response by March 29, 2007, was sent to each address via first-class and certified mail and advised Morawski that if he failed to respond, he might be subject to disciplinary action.
25. The first-class and certified envelopes sent to the CRD – Robin Lane Address were returned to the staff marked "UNABLE TO FORWARD."
26. The certified envelope sent to the CRD – Namdac Avenue Address was returned to the staff marked "UNCLAIMED." The first class envelope sent to the CRD – Namdac Avenue Address was returned to the staff marked "UNABLE TO FORWARD."
27. The certified envelope sent to the Union Boulevard Address was returned to the staff marked "UNCLAIMED." The first-class envelope sent to the Union Boulevard Address was returned to the staff marked "ATTEMPTED – NOT KNOWN."

28. Morawski failed to respond to the staff's requests for information referenced in paragraphs 24 to 27.
29. The staff subsequently discovered an apartment number for Morawski's Union Boulevard address: [REDACTED] (Apartment 17A Address). Accordingly, on March 26, 2007, the staff sent a letter to Morawski at his CRD – Robin Lane, CRD – Namdac Avenue, Union Boulevard, and Apartment 17A Addresses, requesting that he provide information concerning his failure to disclose various unsatisfied judgments filed against him. The letter, which was sent pursuant to NASD Procedural Rule 8210, requested a response by April 9, 2007 and was sent to each address via first-class and certified mail.
30. The first-class and certified envelopes sent to the CRD – Robin Lane Address were returned to the staff marked "UNABLE TO FORWARD."
31. The first-class and certified envelopes sent to the CRD – Namdac Avenue Address were also returned to the staff marked "UNABLE TO FORWARD."
32. The staff received return receipt cards from the certified envelopes sent to the Union Boulevard and Apartment 17A Addresses. Each indicated a delivery date of March 28, 2007 and was signed by "J. Morawski." The first-class envelopes sent to the Union Boulevard and the Apartment 17A Addresses were not returned to the staff.

33. On March 30, 2007, the staff received a voice message from Morawski, who acknowledged receiving the staff's requests for information. Morawski, however, failed to provide any information responsive to the staff's requests.
34. Morawski failed to respond to the staff's requests for information referenced in paragraphs 29 to 33.
35. On April 10, 2007, the staff sent a letter to Morawski at his CRD – Robin Lane, CRD – Namdac Avenue, Union Boulevard, and Apartment 17A Addresses, requesting that he provide information concerning his failure to disclose various unsatisfied judgments and liens filed against him. The letter, which was sent pursuant to NASD Procedural Rule 8210, requested a response by April 24, 2007. It was sent to each address via first-class and certified mail and advised Morawski that if he failed to respond, he might be subject to disciplinary action.
36. The first-class and certified envelopes sent to the CRD – Robin Lane Address were returned to the staff both marked "UNABLE TO FORWARD."
37. The first-class and certified envelopes sent to the CRD – Namdac Avenue Address were also returned to the staff both marked "UNABLE TO FORWARD."
38. The certified envelopes sent to the Union Boulevard and Apartment 17A Addresses were returned to the staff both marked "UNCLAIMED." The first-class envelopes sent to the Union Boulevard and Apartment 17A Addresses were not returned to the staff.
39. Morawski failed to respond to the staff's requests for information referenced in paragraphs 35 to 38.

40. The staff is not aware of any more current residential or business addresses for Morawski.
41. Morawski failed to respond to the staff's written requests for information.
42. As a result of this conduct, Morawski violated NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

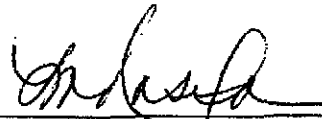
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under NASD Rule 8310(a), including monetary sanctions, be imposed;
- B. order that the Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with NASD Rule 8330; and
- C. make specific findings that Respondent's conduct, as alleged in the First Cause of Action, was willful; the omitted information was material; and, the omission to state material facts was on Form U4 applications.

FINRA DEPARTMENT OF ENFORCEMENT

Dated: November 30, 2007



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