

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

SHLOMO SHARBAT
(CRD No. 2399408),

Respondent.

Disciplinary Proceeding
No. 2009016160001

Hearing Officer – RLP

DEFAULT DECISION

November 8, 2012

For failing to provide testimony, in violation of Rules 8210 and 2010, Respondent is barred from associating with any FINRA member in any capacity. Allegations that Respondent violated Regulation M and NASD Rule 2110 are dismissed.

Appearances

Jonathan Golomb, Senior Special Counsel, and Gary Lisker, Senior Counsel, Rockville, MD, for the Department of Enforcement.

No appearance by or for Respondent.

DECISION

I. Introduction

FINRA investigators began the inquiry that led to the filing of a complaint against Shlomo Sharbat after a cycle examination of his employer, vFinance Investments, Inc., uncovered possible rule violations in connection with the firm's participation in a distribution of the securities of PERF Go-Green Holdings, Inc. As a result of the investigation, the FINRA Department of Enforcement ("Enforcement") initiated this proceeding on July 11, 2012.

In its complaint, Enforcement charged Sharbat with violating Regulation M under the Securities Exchange Act of 1934 and NASD Conduct Rule 2110 by inducing customers to purchase PGOG stock while vFinance was participating in a distribution of the company's convertible securities.¹ The complaint also charged that Sharbat violated FINRA Rules 8210 and 2010 by refusing to provide testimony at the request of FINRA staff. Sharbat did not answer the complaint. Consequently, on September 12, 2012, Enforcement filed a Motion for Entry of Default Decision, together with the Declaration of Jonathan Golomb and six exhibits. On October 12, 2012, Enforcement filed a Supplemental Filing in support of its motion, together with the Affidavit of Kathleen Harwood. Sharbat did not respond to the motion or the supplemental filing.²

II. Jurisdiction

Sharbat first entered the securities industry in 1993. Between 1993 and 2008, he was associated with more than a dozen firms, often remaining with any given firm only for a period of months. As of February 2008, he was employed by vFinance and registered as a General Securities Representative ("GSR") through the firm. In July 2008, vFinance filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") stating that Sharbat had been permitted to resign on June 12, 2008, for "apparent violation of firm policies" regarding outside brokerage accounts.³ Brookville Capital Partners ("Brookville") hired Sharbat two years

¹ In 2007, NASD consolidated with the member regulation function of NYSE Regulation and began operating under a new corporate name, the Financial Industry Regulatory Authority ("FINRA"). FINRA then began developing a consolidated rulebook, and in December 2008, as part of the first phase of that process, NASD Conduct Rule 2110 was adopted without material change as FINRA Conduct Rule 2010. See FINRA Regulatory Notice 08-57, 2008 FINRA LEXIS 50 (Oct. 2008). The conduct rules that apply are those that existed at the time of the conduct. They are available at www.finra.org/Industry/Regulation/FINRARules.

² Given that Sharbat is in default, as detailed below, the factual determinations in this decision are based on allegations in the attached complaint, which are deemed admitted, as well as the Golomb Declaration, its attached exhibits, and the Harwood Affidavit.

³ Complaint ¶ 2.

later, filing a U4 on his behalf on July 6, 2010. Less than one month later, on August 4, 2010, Brookville terminated Sharbat's association without registration. Sharbat has not been associated with a FINRA member firm since then.⁴

Although Sharbat is not currently registered with a FINRA member firm, FINRA has jurisdiction over this disciplinary proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the complaint was filed within two years after his association with Brookville, a FINRA member firm, ceased; and (2) the complaint charges Sharbat with misconduct that commenced prior to that termination and with failing to respond to requests for information made during the two-year period following the termination.⁵

III. Respondent's Default

On July 11, 2012, Enforcement served Sharbat with the notice of complaint and the complaint by mail addressed to his residential address as recorded in FINRA's Central Registration Depository ("CRD Address"). In addition, Enforcement served a copy of the notice and the complaint by courier to an alternative residential address in Tel Aviv, Israel. According to the courier's proof-of-delivery details, the materials were delivered on July 15, 2012, and signed for by "Shlomo." Then, because the original notice bore an incorrect date, Enforcement served Sharbat with corrected copies (of both the notice and the complaint) by mail to his CRD address and also by courier to Sharbat's Tel Aviv address. Again, according to the courier's proof-of-delivery details, the materials, delivered on July 17, 2012, were signed for by "Shlomo." Sharbat's only response was an e-mail to Enforcement staff requesting an extension

⁴ Complainant's Exhibit ("CX")-1, CX-2; Golomb Decl. ¶ 2.

⁵ See Article V, Sec. 4(a), FINRA By-Laws, available at www.finra.org/Industry/Regulation/FINRARules/ (then follow "FINRA Manual" hyperlink to "Corporate Organization: By-Laws").

of a “few months” to answer. Enforcement staff was unwilling to agree to such an indeterminate extension.⁶

On August 14, 2012, Enforcement mailed the second notice of complaint and the complaint to Sharbat’s CRD Address and served an additional copy of the second notice and complaint by courier to Sharbat’s Tel Aviv address. Although he signed for the materials delivered by courier, to date, Sharbat has not filed an answer with the Office of Hearing Officers.⁷

Sharbat received valid notice of this proceeding and, therefore, the Hearing Officer finds that Sharbat defaulted by failing to answer the complaint.⁸

IV. Findings of Fact and Conclusions of Law

A. Inducing the Purchase of Securities During Restricted Period

The complaint’s first cause of action alleges that Sharbat violated Regulation M and NASD Conduct Rule 2110 by inducing and attempting to induce customers to purchase a security, into which another security in distribution could be converted, during the distribution’s restricted period.

In April 2008, ESYS Holdings, a public shell company quoted on the OTC Bulletin Board, began an offering of convertible debentures. vFinance acted as the private placement agent for the offering.⁹

⁶ Golomb Decl. ¶¶ 8-14; CX-4, CX-5.

⁷ Golomb Decl. ¶¶ 15-18; CX-6.

⁸ *Dep’t of Enforcement v. Nolan Wayne Moore*, 2012 FINRA Discip. Lexis 45, at *19-21 (N.A.C. July 26, 2012) (finding that respondent had constructive notice of complaint mailed to his CRD address); *see also* Notice to Members 99-77, available at www.finra.org/Industry/Regulation/Notices/1999/P004087 (reminding individuals no longer associated with member firms that during the two-year period following the termination of their last registration, disciplinary complaints are mailed to their last CRD address, “and are considered to have been received at that address, whether or not the individual has actually received them,” and cautioning those who have failed to update their addresses during the two years that they might have a default decision issued against them).

⁹ Complaint ¶¶ 6-7.

On May 9, 2008, while the offering was ongoing, ESYS Holdings engaged in a reverse merger with a privately held company, PERF Go-Green, Inc. The surviving entity changed its name to PERF Go-Green Holdings, Inc. ("PGOG"), and, like its predecessor, was quoted on the OTC Bulletin Board. The offering continued after the merger. In the offering, PGOG sought to raise a minimum of \$2.5 million and a maximum of \$5 million, with a right to sell up to an additional \$1 million in debentures and associated warrants. PGOG expected to sell debentures convertible into a maximum of 8 million shares of common stock or 24.83 percent of the outstanding shares. Between April 22, 2008, and June 10, 2008, 21 customers invested nearly \$6 million in the offering.¹⁰

While vFinance was participating in the debenture offering and although ESYS Holdings and PGOG were on vFinance Investments' restricted list, Sharbat solicited purchases of PGOG stock.¹¹ One of the ways Sharbat solicited purchases was to use his personal e-mail account to communicate with customers and prospective customers to solicit purchases of PGOG stock, by falsely implying that a public offering of PGOG stock was imminent.

In an e-mail dated May 13, 2008, to JC, Sharbat wrote: "www.perfgogreen.com going public tomm let me know if u want in ps they have purchase orders from Amazon.com Walmart to name a few." JC responded: "I want in. How do I get it at \$1.50." Sharbat replied: "call me now I will open you an account with me." JC bought 4,000 shares of PGOG stock through Sharbat and another vFinance employee on May 19, 2008.

Again, on May 15, Sharbat sent an e-mail to three individuals at four separate e-mail addresses stating: "On another note I am bringing my first company public www.perfgogreen.com. . . . Would love to catch up and if you want some shares you can call me

¹⁰ Complaint ¶¶ 9-12; Harwood Affidavit ("Harwood Affid.") ¶¶ 6-10.

¹¹ Complaint ¶¶ 13-15; Harwood Affid. ¶¶ 12-14.

or buy on your own symbol PGOG going live tomm at \$1.65 and will be on Oprah show on Tuesday next week.” Likewise, on May 19, Sharbat sent an e-mail to another recipient with the subject “PERF GO GREEN,” which states: “It went public Friday Buy with me pgog’s the symbol 1.67 call me tomm.” As consequence of these and other solicitations, 22 of Sharbat’s customers purchased more than 250,000 shares of PGOG common stock in mid-May 2008.¹²

As the Securities and Exchange Commission has stated, “[a]s a prophylactic rule, Regulation M precludes activities that could influence artificially the market for an offered security.”¹³ Specifically, Rule 101¹⁴ makes it unlawful for any distribution¹⁵ participant¹⁶ “directly or indirectly, to bid for, purchase, or attempt to induce any person to bid for or purchase, a covered security”¹⁷ during the distribution’s restricted period.¹⁸ Because the Regulation is intended “to assure that distributions of securities are free of the market effects of bids, purchase, or inducements to purchase by those who have an interest in the success of a distribution,”¹⁹ the language “attempt to induce . . . [a] bid for or purchase [of] a covered

¹² Complaint ¶¶ 13-16; Harwood Affid. ¶¶ 14-15.

¹³ *Commission Guidance Regarding Prohibited Conduct in Connection with IPO Allocations*, Exchange Act Rel. No. 51500, 2005 SEC LEXIS 793, at *7 (Apr. 7, 2005), *citing* Exchange Act Rel. No. 38067, 1996 SEC LEXIS 3482 (Dec. 20, 1996) (Regulation M Adopting Release). Regulation M replaced former Rules 10b-6, 10b-6A, 10b-7, 10b-8, and 10b-21.

¹⁴ 17 CFR 242.101(a).

¹⁵ A distribution is an offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods. 17 CFR 242.100(b).

¹⁶ Distribution participants include underwriters, prospective underwriters, brokers, dealers, or other persons who have agreed to participate or are participating in a distribution. 17 CFR 242.100(b).

¹⁷ A covered security is the security in distribution or any reference security. A reference security is any security into which the security in distribution may be converted. 17 CFR 242.100(b).

¹⁸ As a general matter, under 17 CFR 242.100(b), the restricted period ends when the participant completes its participation in the distribution.

¹⁹ Securities Act Release No. 6550, 1984 SEC LEXIS 694, at *17 (Sept. 19, 1984). As the SEC has stated, “[t]he scope of the prohibition is so comprehensive that a specific exception is included in Regulation M to permit underwriters to solicit purchases of securities in the offering itself.” *Commission Guidance*, 2005 SEC LEXIS 793, at *10, n.12 (*citing* 17 CFR 242.101(b)(9) (excepting from Rule 101(a) “[o]ffers to sell or the solicitation of offers to buy the securities being distributed (including securities acquired in stabilizing), or securities offered as principal by the person making such offer or solicitation”)).

security” is interpreted broadly to include any conduct “that causes or is likely to cause another person to bid for or purchase covered securities.”²⁰

Because the purchasers of the \$5 million worth of debentures sold in the private placement could convert the debentures into more than twenty percent of PGOG’s outstanding common stock, the offering qualifies as a distribution within the ambit of Regulation M. However, nothing in the complaint nor in the supplemental filing shows that Sharbat participated or agreed to participate in the distribution of the *debentures*. That vFinance acted as a placement agent for the debenture offering or that others in vFinance offered and sold debentures does not establish that Sharbat, himself, participated or agreed to participate in the debenture offering. Thus, although the complaint and other factual materials show that Sharbat attempted to induce purchases of a covered security—in this case a covered reference security—during the distribution’s restricted period, they do not show that Sharbat was a distribution participant and hence do not establish a *prima facie* violation of Regulation M. Accordingly, the Hearing Officer dismisses the first cause of action.

B. Failure to Respond to Requests for Testimony

The second cause of action alleges that Sharbat violated FINRA Rules 8210 and 2010 by failing to provide on-the-record testimony in response to staff requests.

On February 23, 2012, the staff sent Sharbat a letter requesting that he provide testimony on March 6, 2012. The request was sent by certified mail and regular mail to Sharbat’s CRD

²⁰ *Review of Antimanipulation Regulation of Securities Offerings*, Exchange Act Rel. No. 33924, 1994 SEC LEXIS 1302, at *37 (Apr. 19, 1994). See also *Americorp Securities, Inc.*, Exchange Act Rel. No. 41728, 1999 SEC LEXIS 1593 (Aug. 11, 1999) (broker-dealer firm and CEO violated Rule 10b-6 by directing registered representatives to solicit and accept aftermarket purchase orders for an IPO from numerous retail customers before the effective date of the IPO). See also *P.N. MacIntyre & Co., Inc.*, Exchange Act Rel. No. 10694, 1974 SEC LEXIS 1639 (Mar. 20, 1974) (broker-dealer firm violated Rule 10b-6 by bidding for, purchasing or attempting to induce others to purchase securities in an offering underwritten by the broker-dealer firm before completion of the firm’s participation in the distribution); *Peter C. Calcutta*, 1993 SEC LEXIS 3583 (I.D. Dec. 23, 1993) (firm’s head trader, who executed orders to purchase company’s stock in aftermarket, solicited and accepted by firm’s registered representatives while firm was conducting the company’s IPO, held to have committed “egregious acts” in violation of Rule 10b-6).

address, by e-mail to Sharbat, by courier to Sharbat's Tel Aviv residence, and by certified mail and e-mail to Sharbat's counsel. Through counsel, Sharbat agreed to appear for video testimony on March 6, 2012. On the morning of March 6, 2012, however, Sharbat failed to appear for testimony, and his counsel sent the staff an e-mail stating that Sharbat needed to retain another attorney.²¹

Again using the methods of delivery detailed above, the staff sent Sharbat another Rule 8210 request letter on June 13, 2012, requiring him to testify on June 27, 2012. On June 25, counsel informed the staff that Sharbat would testify as scheduled (by telephone), and Sharbat sent an e-mail confirming the arrangements. The next day, however,—one day before testimony was scheduled to begin—a newly retained attorney for Sharbat informed the staff that Sharbat would not testify, and Sharbat did not appear.²²

FINRA Rule 8210(c) sets forth an unequivocal requirement that registered persons comply with FINRA information requests, providing, as pertinent here, that “[n]o member or person shall fail to provide . . . testimony” requested pursuant to the Rule. The foregoing facts establish that Sharbat twice failed to provide requested testimony. Accordingly, the Hearing Officer finds that Sharbat violated Rule 8210. Sharbat's violation of Rule 8210 is also a violation of Rule 2010.²³

V. Sanctions for Failure to Respond to Requests for Testimony

A violation of Rule 8210 is serious because Rule 8210 “provides a means, in the absence of subpoena power, for [FINRA] to obtain from its members information necessary to conduct

²¹ Complaint ¶¶ 20-23.

²² Complaint ¶¶ 24-26.

²³ See *Michael A. Rooms*, Exchange Act Rel. No. 51467, 2005 SEC LEXIS 728, at *13-14 & n.14 (Apr. 1, 2005) (“efforts to impede [FINRA] investigations violate . . . high standards of commercial honor and just and equitable principles of trade.”).

investigations.”²⁴ The rule thus “is at the heart of the self-regulatory system for the securities industry” and, when members delay their responses or neglect entirely their responsibilities under the rule, they “undermine the ability of [FINRA] to . . . protect the public interest.”²⁵ For these reasons, the Guidelines recommend a bar as standard when a respondent fails to respond in any manner to a request issued pursuant to Rule 8210.²⁶ Sharbat twice failed to provide requested testimony and he did so despite the staff’s attempts to accommodate him by permitting him to testify by means of video transmission or by telephone. There is no record evidence of any mitigating facts that would justify a sanction less than a bar.

Accordingly, the Hearing Officer finds that Sharbat should be barred from associating with any FINRA member in any capacity for violating Rules 8210 and 2010.

VI. Order

Shlomo Sharbat is barred from associating with any FINRA member in any capacity for violating FINRA Rules 8210 and 2010. The bar shall become effective immediately if this decision becomes FINRA’s final disciplinary action. The first count of the complaint is dismissed.


Rada Lynn Potts
Hearing Officer

²⁴ *Richard J. Rouse*, 51 SEC 581, 584, 1993 SEC LEXIS 1831, at *7 (1993).

²⁵ *Howard Brett Berger*, Exchange Act Rel. No. 58950, 2008 SEC LEXIS 3141, at *13 (Nov. 14, 2008), *pet. denied*, 347 F. App’x 692 (2d Cir. 2009).

²⁶ *FINRA Sanction Guidelines* 33 (2011).

Copies to:

Shlomo Sharbat (*via overnight courier and first-class mail*)

Jonathan Golomb (*via electronic mail and first-class mail*)

Gary Lisker (*via electronic mail*)

David R. Sonnenberg, Esq. (*via electronic mail*)

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

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

SHLOMO SHARBAT (CRD 2399408),

RESPONDENT.

**DISCIPLINARY PROCEEDING
NO. 2009016160001**

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. In May and June 2008, Shlomo Sharbat violated Regulation M under the Securities Exchange Act of 1934 by inducing or attempting to induce customers to purchase a security while his firm was participating in an offering of convertible debentures on behalf of the same issuer. In addition, Sharbat violated FINRA Rule 8210 by refusing to provide testimony to FINRA.

RESPONDENT

2. Sharbat, who also goes by the name Solomon Sharbat, was registered or associated with sixteen firms between 1993 and 2008. From February 2008 through June 2008, he was a registered representative with vFinance Investments, Inc. In June 2008, according to a Form U5 filed by vFinance Investments, he was permitted to resign for "apparent violation of firm policies" regarding outside brokerage accounts. He later became associated with another firm from July 6, 2010 until August 4, 2010, when his association was terminated. Sharbat currently resides in Israel.

3. Although Sharbat is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the date upon which Respondent ceased to be associated with a member firm, namely August 4, 2010, and (2) the Complaint charges him with misconduct committed while he was registered with a FINRA member.

FIRST CAUSE OF ACTION

VIOLATION OF EXCHANGE ACT REGULATION M AND NASD RULE 2110

4. Paragraphs 1 through 3 are repeated and realleged herein.

5. As described more fully below, vFinance Investments participated in an offering of convertible notes issued by a company called ESYS Holdings, Inc., and its successor, PERF Go-Green Holdings, Inc. during the spring of 2008.

6. In April 2008, ESYS Holdings, which was a fully reporting public shell company quoted on the OTC Bulletin Board, began an offering of up to \$5 million in convertible debentures, with an additional \$1 million at the option of the company.

7. vFinance Investments acted as the private placement agent for the offering described in the preceding paragraph.

8. This offering was introduced to vFinance Investments' investment banking department by J.A., a registered representative in the New York retail branch who shared many retail customer accounts with Sharbat.

9. On May 9, 2008, while the offering was ongoing, ESYS Holdings engaged in a reverse merger with a privately-held company, PERF Go-Green, Inc. The surviving entity

changed its name to PERF Go-Green Holdings, Inc., and was quoted on the Bulletin Board as PGOG.

10. The offering continued after the merger described in the preceding paragraph.

11. The debentures sold in the offering were convertible into common stock of the issuer.

12. Between April 22, 2008 and June 10, 2008, 21 customers invested a total of \$5,950,000 in the offering described above.

13. Although ESYS Holdings and PERF Go-Green Holdings were on vFinance Investments' restricted list from March 14 to June 13 and from June 17 to July 21, 2008, 22 of Sharbat's customers bought a total of 253,800 shares of common stock of PERF Go-Green Holdings through vFinance Investments between May 16 and 21, 2008. One other Sharbat customer bought the stock on June 4, 2008.

14. Sharbat solicited certain of the purchases described in paragraph 13.

15. In addition, Sharbat unsuccessfully solicited other customers or potential customers to purchase PERF Go-Green Holdings stock during May 2008, while the stock was on vFinance Investments' restricted list and the offering described above was ongoing.

16. Sharbat used his personal email account to communicate with customers and prospective customers to induce or attempt to induce them to purchase the stock of PERF Go-Green Holdings. For instance:

- a. In an e-mail dated May 13, 2008 at 12:41 p.m. to "J.C." and another recipient, Sharbat wrote: "www.perfgogreen.com going public tomm let me know if u want in ps they have purchase orders from Amazon.com Walmart to name a few..." J.C. responded: "I want in. How do I get it at \$1.50," to

which Sharbat responded on May 13, 2008 at 17:47:05: "call me now I will open you an account with me." Later that evening, J.C. sent an email asking to add another 2,000 shares to his order. J.C. bought 4,000 shares of PERF Go-Green Holdings stock through Sharbat and J.A. on May 19, 2008.

- b. On May 19, 2008, at 5:02 p.m. Sharbat sent an e-mail to another recipient with the subject "PERF GO GREEN" which states: "It went public Friday Buy with me pgog's the symbol 1.67 call me tomm"
- c. Sharbat sent an e-mail to three individuals at four separate email addresses on May 15, 2008 at 3:47 pm that states: "...On another note I am bringing my first company public www.perfgogreen.com. ... Would love to catch up and if you want some shares you can call me or buy on your own symbol PGOG going live tomm at \$1.65 and will be on Oprah show on Tuesday next week."
- d. On May 13, 2008, at 12:28 p.m. Sharbat sent an email to "K.C." stating: "www.perfgogreen.com going public tomm let me know if you want in ps they have purchase orders from Amazon.com Walmart to name a few..."

17. Rule 101(a) of Regulation M, 17 C.F.R. §242.101, promulgated pursuant to Section 10(b) of the Securities Exchange Act of 1934, prohibits participants in a distribution from inducing or attempting to induce customers to purchase certain securities, including securities into which the offered securities can be converted, during the course of the distribution. Regulation M is designed to prevent manipulative activities by persons with an interest in the outcome of an offering and prohibits activities and conduct that could artificially influence the market for an offered security.

18. By inducing and attempting to induce customers to purchase PERF Go-Green Holdings stock during the offering described above, Sharbat violated Regulation M, and thereby also violated NASD Rule 2110 (now FINRA Rule 2010).

SECOND CAUSE OF ACTION

VIOLATION OF FINRA RULES 8210 AND 2010

19. Paragraphs 1 through 18 are repeated and realleged herein.

20. During 2012, the staff twice sought Sharbat's on-the-record testimony pursuant to FINRA Rule 8210. Sharbat failed to provide testimony in response to either request.

21. On February 23, 2012, the staff sent Sharbat a Rule 8210 request letter requiring him to testify on March 6, 2012. This request was sent by certified mail and regular mail to Sharbat's residential address as listed in the Central Registration Depository, by email to Sharbat, by Federal Express to Sharbat's last known residential address (in Tel Aviv, Israel), and by regular mail, certified mail, and email to Sharbat's counsel.

22. Sharbat, through counsel, agreed to appear for video testimony on March 6, 2012.

23. On the morning of March 6, 2012, Sharbat failed to appear for testimony, and his counsel sent the staff an e-mail stating that Sharbat needed to retain another attorney.

24. The staff sent Sharbat another Rule 8210 request letter on June 13, 2012 requiring him to testify on June 27, 2012. This letter was sent by certified mail and regular mail to Sharbat's CRD address, by email to Sharbat, by Federal Express to Sharbat's last known residential address (in Tel Aviv, Israel), and by certified mail and email to Sharbat's counsel.

25. On June 25, counsel informed the staff by email that Sharbat would testify as scheduled (by telephone), and Sharbat sent an email confirming the arrangements.

26. The next day—the afternoon before the testimony was scheduled to begin—a newly-retained attorney for Sharbat informed the staff, by telephone and email, that Sharbat would not testify, and Sharbat did not do so.

27. By virtue of the foregoing, Sharbat violated FINRA Rules 8210 and 2010.

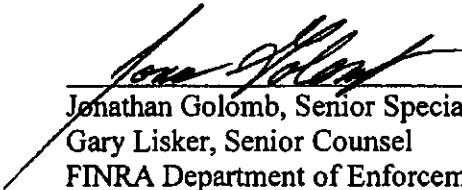
PRAYER FOR RELIEF

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under FINRA Rule 8310(a) of the FINRA Code of Procedure be imposed; and
- B. order that each respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330 of the FINRA Code of Procedure.

FINRA DEPARTMENT OF ENFORCEMENT

Date: July 11, 2012



Jonathan Golomb, Senior Special Counsel
Gary Lisker, Senior Counsel
FINRA Department of Enforcement
15200 Omega Drive, 3rd Floor
Rockville, MD 20850
Phone (301) 258-8532
Facsimile (202) 721-8320
Email: jonathan.golomb@finra.org
gary.lisker@finra.org