

FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Meyers Associates, L.P. (BD No. 34171),

Bruce Meyers (CRD No. 1045447),

and

Imtiaz A. Khan (CRD No. 4084250),

Respondents.

DISCIPLINARY PROCEEDING
No. 2010020954501

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. From January 2011 through June 2011 (the “General Solicitation Period”), Meyers Associates, L.P. (BD No. 34171) (“Meyers” or the “Firm”) and its President, founder and indirect owner, Bruce Meyers (CRD No. 1045447) (“B. Meyers”), marketed an unregistered offering (“Series A Offering”) for SignPath Pharma, Inc. (“SignPath”), a company for which the Firm, B. Meyers and another senior officer of Meyers, Imtiaz (“Raana”) Khan (“Khan”) (CRD No. 4084250), were majority owners. Through general solicitation, Meyers and B. Meyers marketed the Series A Offering to more than 1,000 recipients of boiler-plate emails, without first establishing a substantive relationship with each recipient

solicited. As a consequence of these general solicitations, Meyers and B. Meyers engaged in the improper public offering and sale of unregistered securities, in contravention of Section 5 of the Securities Act of 1933 (“Securities Act”) and violated FINRA Rule 2010.

2. In marketing the Series A Offering, Meyers, acting through B. Meyers, also made exaggerated and unbalanced claims and improper predictions of price performance. In addition, they omitted material facts, including full disclosure of Bruce Meyers’s, Khan’s and Meyers’s ownership interest in the company. By virtue of this conduct, Meyers and B. Meyers violated NASD Rules 2210(d)(1)(A) and (B) and FINRA Rule 2010.
3. Further, Meyers violated FINRA Rules 5122 and 2010 in connection with a July 2011 offering by SignPath (“Series B Offering”) of an additional tranche of securities, Series B Convertible Preferred Stocks and Warrants (“Series B Units”). Because Meyers, Khan and B. Meyers collectively owned more than 50 percent of SignPath throughout 2011, the Series B Offering was a “member private offering” for which FINRA Rule 5122 required the filing of a private placement memorandum (“PPM”) with FINRA at or prior to the first time the document was provided to any investor. Yet Meyers did not file SignPath’s July 19, 2011 PPM for the Series B Offering until January 11, 2012, at least three months after providing the PPM to investors.
4. Additionally during 2011 and 2012, B. Meyers and Khan caused Meyers to make payments of more than \$200,000 for their personal and business expenses, without booking any of the payments as compensation. As a result, B. Meyers

and Khan violated NASD Conduct Rule 3110, and FINRA Rules 4511 and 2010 and Meyers willfully violated SEC Rules 17a-3, 17a-4, 17a-5, NASD Conduct Rule 3110, FINRA Rule 4511 and 2010. B. Meyers and Khan also caused Meyers to issue them inaccurate IRS Forms W-2 that understated their compensation by failing to include any of the more than \$200,000 the Firm paid on their behalf, including for their personal expenses. By virtue of this misconduct, Meyers, B. Meyers and Khan violated FINRA Rule 2010. During 2011 and 2012, Meyers also failed to establish and maintain a reasonable system for maintaining accurate books and records, in violation of NASD Conduct Rules 3010 and FINRA Rule 2010.

5. In addition, during March 2007 to September 2010, the Firm failed to establish and maintain a reasonable system, including adequate written supervisory procedures (“WSPs”), for the review by a registered principal of incoming and outgoing electronic correspondence, as required by FINRA Rule 3010(d). During the same time period, and during an additional nine months from September 2010 to June 2011, Meyers failed to timely report 53 customer complaints. Only three of these complaints have been reported to date. Most of the complaints were sent to registered representatives via email, and contained allegations of sales practice violations. Meyers failed to locate many of these emails through any supervisory review of email communications. Therefore, Meyers violated NASD Conduct Rules 3070 and 2110 and FINRA Rule 2010.¹

¹ On December 15, 2008, NASD Conduct Rule 2110 was superseded, without substantive changes, by FINRA Rule 2010.

6. Finally, from 2009 to June 2011, Meyers violated NASD Conduct Rule 3012 and FINRA Rule 2010 by failing to establish, maintain and enforce supervisory control policies concerning the transmittal of customer funds and the activities of producing managers. In addition, Meyers prepared a deficient Rule 3012 report during 2009, in violation of NASD Conduct Rule 3012 and FINRA Rule 2010.

RESPONDENTS AND JURISDICTION

Meyers Associates, L.P.

7. Meyers has been a member of FINRA since June 16, 1994. Its principal place of business is in New York, New York.
8. Meyers is engaged in a general securities business. As of August 2014, the Firm operated from 14 branch offices and employed 93 registered representatives.
9. B. Meyers founded Meyers and indirectly owns the Firm through an entity known as Meyers-Janssen Securities Corp.
10. Under Article IV of the FINRA By-Laws, FINRA possesses jurisdiction over Meyers for purposes of this proceeding because: (a) Meyers is a FINRA member firm; and (b) the Complaint charges the firm with misconduct committed while it was a FINRA member.

Bruce Meyers

11. B. Meyers first became registered with FINRA as a General Securities Representative (“GSR”) through a former member firm on May 25, 1982.
12. From May 1982 until September 1994, B. Meyers was registered with FINRA as a GSR through several former member firms. From March 17, 1987 until 1993,

B. Meyers was also registered as a General Securities Principal (“GSP”) with a number of former member firms.

13. B. Meyers has been registered with FINRA through an association with Meyers since July 11, 1994. Since November 7, 2009, B. Meyers has been registered as an Investment Banking (“IB”) representative through an association with Meyers. B. Meyers is the Firm’s founder and President. Since October 27, 2011, B. Meyers also has been registered as an Options Supervisor (“OS”) through Meyers.
14. Under Article V of FINRA’s By-Laws, FINRA possesses jurisdiction over B. Meyers for purposes of this proceeding because: (a) he is registered with FINRA and associated with a member firm; and (b) the Complaint charges him with misconduct committed while he was registered with FINRA and associated with a member firm.

Imtiaz A. Khan

15. Khan first became registered with FINRA as a GSR on July 19, 2000 through an association with Meyers. Khan thereafter became registered with FINRA as an IB beginning November 5, 2009 and as an OS beginning October 26, 2011. Khan is currently registered in those capacities through Meyers, where he serves as the head of the Firm’s Investment Banking activities.
16. Under Article V of FINRA’s By-Laws, FINRA possesses jurisdiction over Khan for purposes of this proceeding because: (a) he is registered with FINRA and associated with a member firm; and (b) the Complaint charges him with misconduct committed while he was registered with FINRA and associated with a member firm.

FIRST CAUSE OF ACTION

**Unregistered Public Offerings
Contravention of Section 5 of the Securities Act
of 1933 in Violation of FINRA Rule 2010
(Against Meyers and B. Meyers)**

17. The Department re-alleges and incorporates by reference paragraphs 1 through 16 above.
18. SignPath is purportedly a development stage biotechnology company. It was founded to develop proprietary formulations of curcumin, commonly found in turmeric, a naturally occurring compound, for applications in human diseases. B. Meyers co-founded SignPath in May 2006 with Dr. LH, an oncologist. Throughout 2011, Meyers, B. Meyers and Khan collectively owned greater than 50 percent of SignPath's outstanding securities. Dr. LH is SignPath's CEO and President and has been the company's only employee. SignPath's only office is located in Quakertown, Pennsylvania.
19. SignPath has incurred significant losses since its inception. It has not had the financial resources necessary to complete development and market any formulation of curcumin. From its inception to the present, the company has not had any revenues.
20. Since SignPath's founding, Meyers and B. Meyers have provided investment banking and placement agent services to SignPath. For these services, they received compensation, in the form of commissions, fees and options to purchase SignPath securities.

21. The Series A Units were securities within the meaning of Section 3(a)(10) of the Exchange Act.
22. Beginning in May 2008, SignPath has engaged in private offerings of Series A units that purported to be exempt from registration, and Meyers was the placement agent for each one. During the General Solicitation Period, Meyers continued offering Series A Units. During the General Solicitation Period, Meyers raised \$298,500 by selling Series A Units to investors.
23. The Series A offering documents assert that the Series A Units were exempt from registration under Section 4(2) of the Securities Act (exempting transactions by an issuer not involving any public offerings) and Rule 506 to Regulation D of the Securities Act (exempting certain offers and sales meeting all terms and conditions of Rule 502 of Regulation D).
24. Section 5(a) of the Securities Act prohibits the sale of any securities in interstate commerce unless a registration statement is in effect as to the offer or sale of such securities or there is an applicable exemption from the registration requirements.
25. During the General Solicitation Period, Rule 502 of Regulation D set forth, as one of the conditions applicable to offers and sales made under Regulation D, that “neither the issuer nor any person acting on its behalf shall offer or sell securities by any form of general solicitation”
26. However, during the General Solicitation Period, Meyers and B. Meyers marketed the Series A offering through a general solicitation by sending more than 1,000 emails (the “Relevant Emails”) without first establishing a substantive

relationship with the recipients of at least 435 of the emails. In approximately 509 of the Relevant Emails, B. Meyers made this apparent by stating either that “I would like to take the opportunity to introduce myself” or by using another similar phrase. The vast majority of the email solicitations were mass mailings with identical or similar, boiler-plate terms. The Relevant Emails are identified on the chart attached hereto as Exhibit A.

27. BM primarily used publicly available research, professional trade journals, media sources and information obtained at industry conferences to identify recipients for the Relevant Emails.
28. During the General Solicitation Period, Meyers and B. Meyers solicited investors from Meyers’s office in New York City. In marketing the SignPath securities, Meyers and B. Meyers made use of the means or instrumentalities of interstate commerce by using email to contact customers located in multiple states outside of New York.
29. In 668 of the Relevant Emails, B. Meyers stated that SignPath was either “currently seeking prospective investors” or that it was “currently seeking capital.” B. Meyers also described SignPath as a development stage pharmaceutical company, discussed the purported status of SignPath’s research and trumpeted the company’s prospects. In more than 200 emails, B. Meyers stated that there were opportunities to apply SignPath’s formulation of curcumin to diabetes that would “catapult SignPath’s direct entry into clinical Phase III and IV [of clinical research] within the next several months.” Further, in more than 200 emails, B. Meyers promoted SignPath by stating that “financial returns on

investment within the immediate two years will enhance the stature of SignPath . . . as a young but imposing pharmaceutical company.”

30. By offering unregistered securities through general solicitation, Meyers and B. Meyers engaged in public offerings subject to the registration requirements of Section 5 of the Securities Act.
31. By reason of the foregoing, Meyers and BM acted in contravention of Section 5 of the Securities Act, and thereby violated FINRA Rule 2010.

SECOND CAUSE OF ACTION

Advertising Violations (NASD Conduct Rule 2210 and FINRA Rule 2010) (Against Meyers and B. Meyers)

32. The Department re-alleges and incorporates by reference paragraphs 1 through 31 above.
33. NASD Conduct Rule 2210(d)(1)(A), which was in effect during the General Solicitation Period, provided that:

All member communications with the public shall be based on principles of fair dealing and good faith, must be fair and balanced, and must provide a sound basis for evaluating the facts in regard to any particular security or type of security, industry, or service. The communication may not omit any material fact or qualification if the omission, in light of the context of the material presented, would cause the communication to be misleading.

34. The Relevant Emails were not fair and balanced because they did not contain adequate risk disclosures. Rather, they were unbalanced and contained omissions of material facts that caused the communications to be misleading.
35. In the Relevant Emails, B. Meyers failed to disclose the following material information regarding SignPath:

- a. SignPath's history of significant losses;
 - b. SignPath's lack of anticipated revenue for the foreseeable future, and the lack of any guarantee of profitability;
 - c. SignPath's lack of the financial resources necessary to successfully complete development and marketing of its intended product, curcumin; and
 - d. SignPath's lack of experience in manufacturing, sales, marketing or distribution of any products.
36. The factual omissions were material as they caused the email communications to be misleading in light of the context of the statements contained in the Relevant Emails.
37. In addition, during the General Solicitation Period, NASD Rule 2210(d)(2)(C) provided that advertisements and sales literature must prominently disclose the name of the member and reflect any relationship between the member and any non-member. The Relevant Emails constituted sales literature, which is defined pursuant to Rule 2210(a)(2) as "[a]ny written or electronic communication ... that is generally distributed or made generally available to customers or the public, including circulars, research reports, performance reports or summaries, form letters, telemarketing scripts, seminar texts, reprints (that are not independently prepared reprints) or excerpts of any other advertisement, sales literature or published article, and press releases concerning a member's products or services."
38. Meyers and B. Meyers did not disclose in any of the Relevant Emails that Meyers, B. Meyers and Khan were collectively the majority owners of SignPath. Additionally, Meyers and B. Meyers did not disclose that Meyers was an

investment banker for SignPath, and at the same time acting as and receiving compensation as, the placement agent for its securities.

39. Further, in at least 347 Relevant Emails, B. Meyers failed to prominently display the Firm's name, without identifying himself as the president of Meyers. In those emails, the domain name of B. Meyers's email address is the only indication that B. Meyers is associated with Meyers.
40. NASD Rule 2210(d)(1)(B) prohibits making "any false, exaggerated, unwarranted or misleading statement[s] or claim[s]" in communications with the public.
41. Yet, more than 200 of the Relevant Emails contain exaggerated and unbalanced claims about SignPath's purported product, curcumin. In these emails, B. Meyers claimed that SignPath's formulation of curcumin could be used for diabetes treatment and that this application would "catapult SignPath's direct entry into clinical Phase III and IV with the next several months." B. Meyers did not provide any factual basis for this statement.
42. Further, NASD Rule 2210(d)(1)(D) prohibits making communications with the public that predict or project performance, imply that past performance will recur or make any exaggerated or unwarranted claim, opinion or forecast.
43. However, in more than 200 of the Relevant Emails, B. Meyers improperly predicted that "[e]ntry into the clinic with two active principles, and financial returns on investment within the immediate two years will enhance the stature of [SignPath] as a young but imposing pharmaceutical company." B. Meyers did not provide any factual basis for this claim.

44. By reason of the foregoing, Meyers and B. Meyers violated NASD Conduct Rule 2210 and FINRA Rule 2010.

THIRD CAUSE OF ACTION

Rule 5122 Violation (FINRA Rules 5122 and 2010) (Against Meyers)

45. The Department re-alleges and incorporates by reference paragraphs 1 through 44 above.
46. FINRA Rule 5122, which became effective in June 2009, sets forth requirements for Private Placements of Securities Issued by Members. Rule 5122(a)(1) defines “member private offerings” as “a private placement of unregistered securities issued by a member or a control entity.”
47. Under Rule 5122(a)(2), “[a] ‘control entity’ means any entity that controls or is under common control with a member, or that is controlled by a member or its associated persons.”
48. Rule 5122(a)(3) further defines “control” to mean “beneficial interest . . . of more than 50 percent of the outstanding voting securities of a corporation Control will be determined immediately after the closing of an offering, and in the case of an offering with multiple intended closings, immediately following each closing.”
49. SignPath was a control entity of Meyers during 2011 because Meyers and its associated persons, B. Meyers and Khan, owned more than 50 percent of SignPath’s outstanding voting securities.
50. Pursuant to a PPM dated July 19, 2011, Meyers, acting through B. Meyers, was the placement agent for the Series B Offering. The Series B Offering was a

member private offering under FINRA Rule 5122. Meyers commenced sales of the Series B Units through the Series B Offering on September 2, 2011.

51. FINRA Rule 5122(b)(2) provides that for member private offerings, “[a FINRA] member must file the private placement memorandum, term sheet or such other offering document with the [FINRA] Corporate Financing Department at or prior to the first time the document is provided to any prospective investor.”
52. Meyers was required to file the July 19, 2011 PPM for the Series B Offering with the FINRA Corporate Financing Department at or prior to the first time the document was provided to any prospective investor. However, Meyers failed to do so. Meyers did not file the PPM until January 11, 2012, at least three months after providing the PPM to a prospective investor.
53. By reason of the foregoing, Meyers violated FINRA Rules 5122(b) and 2010.

FOURTH CAUSE OF ACTION

Inaccurate Books and Records

**(Section 17(a) of the Exchange Act and SEC Rules 17a-3, 17a-4, 17a-5 thereunder, NASD Conduct Rule 3110, FINRA Rules 4511 and 2010)
(Against Meyers, B. Meyers and Khan)**

54. The Department re-alleges and incorporates by reference paragraphs 1 through 53 above.
55. During the period from January 1, 2011 through December 31, 2012, B. Meyers and Khan had expense allowances in their employment agreements with the Firm. The agreements allowed B. Meyers and Khan to have the Firm pay amounts on their behalf for personal and business expenses of up to \$7,500 per month for

Khan and up to \$10,000 per month for B. Meyers. B. Meyers and Khan caused Meyers to pay more than \$200,000 to third parties, such as credit card companies, pursuant to their employment agreements. B. Meyers and Khan did not identify their personal expenses to the Firm. Those personal expenses included payments for shopping at clothing stores, spa services, and travel for family.

56. In the Firm's books and records, B. Meyers and Khan caused Meyers to record all of these payments, including payments for personal expenses, as miscellaneous travel and entertainment expenses or other miscellaneous business expenses, rather than as compensation to B. Meyers and Khan. Payments made for B. Meyers's and Khan's personal expenses should have been recorded in the Firm's books and records as part of B. Meyers's and Khan's compensation.
57. Instead, Meyers's general ledger during 2011 and 2012 contained entries that inaccurately described the nature of the payments the Firm made on behalf of B. Meyers and Khan. In addition, the Firm's Income Statements, FOCUS Reports and Annual Audit Reports for those years were not accurate because they understated the amounts the Firm incurred as compensation.
58. Pursuant to SEC Rule 17a-3, member firms must make and keep, among other things: ledgers (or other records) reflecting all assets and liabilities, income and expense and capital accounts.
59. Pursuant to SEC Rule 17a-4 member firms must preserve for a period of not less than six years all records required to be made pursuant to SEC Rule 17a-3.

60. Pursuant to SEC Rule 17a-5 Meyers is required to file Part IIA of Form X-17A-5 (FOCUS reports for non-clearing or non-carrying brokers or dealers) and annual audited financial statements.
61. NASD Rule 3110(a) required members to make and preserve books, accounts, records, memoranda, and correspondence in conformity with all applicable laws, rules, regulations and statements of policy promulgated thereunder, and as prescribed by SEC Rule 17a-3. NASD Rule 3110(a) was effective until December 5, 2011.
62. FINRA Rule 4511, which became effective December 5, 2011, requires members to make and preserve books and records as required under FINRA rules, the Exchange Act and the applicable Exchange Act rules.
63. Accordingly, B. Meyers and Khan violated NASD Rule 3110 and FINRA Rules 4511 and 2010 in that they caused the Firm to create and maintain inaccurate books and records, in violation of Section 17(a) of the Securities Exchange Act of 1934 and Rules 17a-3, 17a-4 and 17a-5 promulgated thereunder.
64. By means of the foregoing conduct, Meyers willfully violated Securities Exchange Act of 1934 § 17 and Rules 17a-3, 17a-4 and 17a-5 thereunder, NASD Rule 3110, and FINRA Rules 4511 and 2010 by creating and maintaining inaccurate books and records.

FIFTH CAUSE OF ACTION

Failure to Observe High Standards of Commercial Honor and Just and Equitable Principles of Trade by Falsifying Tax Form W-2 (FINRA Rule 2010) (Against Meyers, B. Meyers and Khan)

65. The Department re-alleges and incorporates by reference paragraphs 1 through 64 above.
66. FINRA Rule 2010 requires that every member, in the conduct of his or her business, observe high standards of commercial honor and just and equitable principles of trade with regard to his or her business practices.
67. The United States tax code defines gross income as “all income from whatever source derived,” including but not limited to compensation for services, including fees, commissions, fringe benefits, and similar items; gross income derived from business; dividends; and distributive shares of partnership gross income.
68. Every employer engaged in a trade or business that pays remuneration, including non-cash payments, for services performed by an employee must issue a Form W-2 for such employee.
69. During the 2011 and 2012 tax years, Khan caused Meyers to compensate him, in part, by paying personal expenses on his behalf. However, Meyers did not report these amounts as wages, tips, and other compensation on Khan’s Forms W-2 for tax years 2011 or 2012, and the forms were therefore false in that they understated Khan’s compensation. Khan caused the Firm to issue these false Forms W-2 and did not inform the Firm that these Forms W-2 were false.

70. During the 2011 and 2012 tax years, B. Meyers caused Meyers to compensate him, in part, by paying personal expenses on his behalf. However, Meyers did not report these amounts as wages, tips, and other compensation on Meyers's Form W-2 for 2012 and the form therefore was false in that it understated B. Meyers's compensation. B. Meyers caused the Firm to issue him the false Form W-2, and B. Meyers did not inform the Firm that the Form W-2 was false. For 2011, Meyers did not issue a Form W-2 to B. Meyers.
71. Further, Meyers did not issue any other year-end tax reporting forms to B. Meyers or Khan for tax years 2011 or 2012 that reported their additional compensation until after the commencement of FINRA's investigation. During 2014, the Firm issued Forms 1099 to B. Meyers and Khan for tax years 2011 and 2012 that purport to reflect amounts the Firm paid on their behalf for certain personal expenses.
72. Accordingly, Meyers, B. Meyers and Khan violated FINRA Rule 2010.

SIXTH CAUSE OF ACTION

Supervision of the Maintenance of Books and Records (NASD Conduct Rule 3010 and FINRA Rule 2010) (Against Meyers and B. Meyers)

73. The Department re-alleges and incorporates by reference paragraphs 1 through 72 above.
74. NASD Conduct Rule 3010(a) requires members to "establish and maintain a system to supervise the activities of each registered representative, registered principal, and other associated person that is reasonably designed to achieve compliance with

applicable securities laws and regulations, and with the applicable Rules of [FINRA].”

75. NASD Conduct Rule 3010(b) provides that “[e]ach member shall establish, maintain, and enforce written procedures to supervise the types of business in which it engages and to supervise the activities of registered representatives, registered principals, and other associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with the applicable Rules of NASD.”

76. From January 1, 2011 through May 1, 2011, B. Meyers was the person responsible for supervising VP, the individual who served as both the Chief Financial Officer and Financial and Operations Principal for the Firm during that period. Yet B. Meyers failed to ensure that the Firm properly recorded its payments for B. Meyers’s or Khan’s personal expenses. Further, B. Meyers failed to ensure that the Firm had reasonable written supervisory procedures for maintaining adequate books and records.

77. During tax years 2011 and 2012, the Firm did not have a system for ensuring that the personnel who prepared the Firm’s books and records were made aware of B. Meyers’s and Khan’s expense allowances and that the Firm was paying personal expenses on their behalf in connection with those allowances. In addition, the Firm did not have an adequate system reasonably designed to ensure that it properly recorded the payments it made for B. Meyers’s and Khan’s personal expenses. Nor did the Firm have reasonable written supervisory procedures for maintaining adequate books and records.

78. By virtue of this conduct, Meyers and B. Meyers each violated NASD Conduct Rule 3010 and FINRA Rule 2010.

SEVENTH CAUSE OF ACTION

**Supervisory Review of Electronic Communications
(NASD Conduct Rules 3010, and 2110 and FINRA Rule 2010)
(Against Meyers)**

79. The Department re-alleges and incorporates by reference paragraphs 1 through 78 above.

80. NASD Conduct Rule 3010(a) requires members to “establish and maintain a system to supervise the activities of each registered representative, registered principal, and other associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with the applicable Rules of [FINRA].”

81. Further, NASD Rule 3010(d)(1) requires members to:

establish procedures for the . . . review by a registered principal of incoming and outgoing written and electronic correspondence of its registered representatives with the public relating to the investment banking or securities business of such member. Such procedures should be in writing and be designed to reasonably supervise each registered representative. Evidence that these supervisory procedures have been implemented and carried out must be maintained and made available to the Association upon request.

82. From March 2007 through at least September 2010, Meyers failed to establish and maintain a reasonable system for the review by a registered principal of the firm’s incoming and outgoing electronic correspondence.

83. Meyers did not have adequate written supervisory procedures (“WSPs”) with respect to reviewing electronic correspondence during March 2007 through at least September 2010.
84. The WSPs did not address the manner in which designated supervisors were to conduct reviews of electronic correspondence and did not identify the manner in which Meyers would evidence that supervisory reviews were carried out. The WSPs further did not provide any methodology for selecting emails for review, such as any lexicon-based review system or process for conducting a random review of a reasonable amount of email. The WSPs also did not identify the frequency with which reviews should be conducted.
85. Further, Meyers did not implement an adequate system for supervisory reviews of electronic communications. Meyers also did not maintain any documentation that adequately identified the communications reviewed, the reviewers or the dates on which the communications were reviewed.
86. By reason of the foregoing, Meyers violated NASD Conduct Rules 3010 and 2110 (for misconduct before December 15, 2008), and FINRA Rule 2010 (for misconduct from December 15, 2008 to at least September 2010).

EIGHTH CAUSE OF ACTION

Failure to Report Customer Complaints (NASD Conduct Rules 3070, and 2110 and FINRA Rule 2010) (Against Meyers)

87. The Department re-alleges and incorporates by reference paragraphs 1 through 86 above.

88. NASD Conduct Rule 3070(c) provided at all times relevant to this matter that each FINRA member firm is required to report to FINRA:

statistical and summary information regarding customer complaints in such detail as the Association shall specify by the 15th day of the month following the calendar quarter in which customer complaints are received by the member. For the purposes of this paragraph, "customer" includes any person other than a broker or dealer with whom the member has engaged, or has sought to engage, in securities activities, and "complaint" includes any written grievance by a customer involving the member or person associated with a member.

89. During the period from March 2007 to July 2010, Meyers failed to report any information for 50 customer complaints to FINRA. To date, those complaints have not been reported. A list of those unreported complaints is set forth on Exhibit B hereto.

90. During the time period of April 2009 to June 2011, Meyers also failed to timely report three additional complaints:

- (a) a November 9, 2009 complaint Meyers received by email from customer WH alleging failure to follow customer instructions that Meyers reported to FINRA on March 23, 2011. The complaint should have been reported no later than January 15, 2010, and was ultimately reported 432 days late;
- (b) a May 13, 2009 complaint Meyers received by mail from the SEC for customer NK alleging failure to follow customer instructions that Meyers reported to FINRA on June 6, 2011. The complaint should have been reported no later than July 15, 2009 and was ultimately reported 691 days late; and
- (c) a handwritten complaint from customer RS, dated April 1, 2009, alleging unauthorized trading that Meyers reported to FINRA on June 6, 2011. This

complaint should also have been reported no later than July 15, 2009 and was ultimately reported 691 days late.

91. With respect to at least 28 of the complaints, Meyers failed to identify the complaints through supervisory review of electronic communications.
92. Twenty complaints alleged unauthorized trading and eight complaints alleged that Meyers and its registered representatives charged improper or excessive fees and commissions.
93. By reason of the foregoing, Meyers violated NASD Conduct Rules 3070 and 2110 (for misconduct before December 15, 2008) and FINRA Rule 2010 (for misconduct from December 15, 2008 to June 2011).

NINTH CAUSE OF ACTION

Deficient Supervisory Control Procedures (NASD Conduct Rule 3012, and FINRA Rule 2010) (Against Meyers)

94. The Department re-alleges and incorporates by reference paragraphs 1 through 93 above.
95. NASD Conduct Rule 3012(a)(1) requires that:

Each member shall designate and specifically identify to [FINRA] one or more principals who shall establish, maintain and enforce a system of supervisory control policies and procedures that (A) test and verify that the member's supervisory procedures are reasonably designed with respect to the activities of the member and its registered representatives and associated persons, to achieve compliance with applicable securities laws and regulations ... and (B) create additional or amend supervisory procedures where the need is identified by such testing and verification. The designated principal or principals must submit to the member's senior management no less than annually, a report detailing each member's system of supervisory controls, the summary of the test results and

significant identified exceptions, and any additional or amended supervisory procedures created in response to the test results.

96. NASD Conduct Rule 3012(a)(2) identifies items that must be included in a firm's written supervisory control procedures. These include procedures for reviewing and supervising managers' customer account activity (Rule 3012(a)(2)(A)), procedures for reviewing and monitoring the transmittal of customer funds, customer changes of address and customer changes of investment objectives (Rule 3012(a)(2)(B)) and procedures for providing heightened supervision over the activities of each producing manager responsible for generating 20% or more of the business units supervised by the producing manager (Rule 3012(a)(2)(C)).

97. From 2009 to June 2011, Meyers failed to establish, maintain and enforce reasonable written supervisory control policies and procedures pursuant to Rule 3012. More specifically, Meyers's procedures:

- a. failed to explain how the Firm would identify its producing managers;
- b. failed to specify steps for reviewing producing managers' activities;
- c. omitted procedures for identifying producing managers for heightened supervision;
- d. failed to address how the Firm would identify producing managers responsible for generating 20 percent or more of the revenue of the business units supervised by the producing manager's supervisor;
- e. did not adequately address how the Firm would monitor transmittals of customer funds or securities. Apart from requiring a letter of authorization, the Firm's WSPs were silent as to how transmittals from customer accounts to outside entities would be reviewed and approved. In addition, they were silent

as to how transmittals between customers and personnel would be detected.

The WSPs also failed to state how third party disbursement requests would be detected; and

- f. did not provide that any notice confirming the transactions would be sent to the customer.

98. In addition, Meyers's annual report for 2009 did not address, or provide documentation of, procedures for testing and verifying the efficacy of the Firm's supervisory procedures. Instead, the report primarily contained a summary of Meyers's supervisory procedures, without describing how testing was performed.

99. By reason of the foregoing, Meyers violated NASD Conduct Rules 3012 and FINRA Rule 2010.

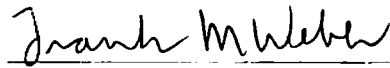
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondents committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed;
- C. order that Respondents bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.
- D. make specific findings that Respondent Meyers willfully violated Securities Exchange Act of 1934 § 17, and Rules 17a-3, 17a-4 and 17a-5 thereunder.

FINRA DEPARTMENT OF ENFORCEMENT

Date: October 6, 2014



Frank M. Weber, Senior Regional Counsel
Elena Kindler, Senior Counsel
Gina M. Petrocelli, Director
Lara Thyagarajan, Regional Chief Counsel
Susan Light, SVP & Chief Counsel
FINRA, Department of Enforcement
One World Financial Center
200 Liberty Street
New York, New York 10281-1003
(212) 858-4324; (202) 721-6575
Email: Frank.Weber@finra.org

Exhibit A

Exhibit A to Complaint

List of "Relevant Emails"

	Date	Email/Subject/Line	Sender	Recipient
1.	01/05/2011 12:51 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
2.	01/06/2011 16:44 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
3.	01/06/2011 16:46 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
4.	01/06/2011 16:48 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
5.	01/06/2011 16:53 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
6.	01/06/2011 16:59 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
7.	01/06/2011 17:03 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
8.	01/06/2011 17:05 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
9.	01/06/2011 17:06 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
10.	01/07/2011 11:11 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
11.	01/07/2011 13:19 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
12.	01/07/2011 13:48 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
13.	01/10/2011 10:23 EST	SigPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
14.	01/10/2011 11:20 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
15.	01/10/2011 12:36 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
16.	01/10/2011 14:06 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
17.	01/11/2011 16:52 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
18.	01/11/2011 16:53 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
19.	01/11/2011 16:58 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
20.	01/11/2011 16:59 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
21.	01/11/2011 17:00 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
22.	01/11/2011 17:02 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
23.	01/11/2011 17:03 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
24.	01/11/2011 17:05 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
25.	01/11/2011 17:09 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
26.	01/13/2011 09:42 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
27.	01/13/2011 14:03 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
28.	01/14/2011 11:06 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
29.	01/19/2011 10:46 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
30.	01/19/2011 10:53 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
31.	01/19/2011 16:35 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
32.	01/19/2011 16:53 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
33.	01/20/2011 13:13 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
34.	01/20/2011 13:14 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
35.	01/20/2011 13:15 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
36.	01/20/2011 13:16 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
37.	01/20/2011 13:17 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
38.	01/20/2011 13:18 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
39.	01/20/2011 13:20 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED

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	Date	Email Subject Line	Sender	Recipient
216.	02/10/2011 11:34 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
217.	02/10/2011 11:37 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
218.	02/10/2011 11:37 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
219.	02/10/2011 11:37 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
220.	02/10/2011 11:45 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
221.	02/10/2011 11:52 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
222.	02/10/2011 11:53 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
223.	02/10/2011 13:14 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
224.	02/10/2011 15:30 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
225.	02/10/2011 15:31 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
226.	02/14/2011 14:37 EST	Business Plan/Offering Memorandum	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
227.	02/14/2011 16:58 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
228.	02/15/2011 10:57 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
229.	02/17/2011 14:15 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
230.	02/17/2011 14:16 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
231.	02/23/2011 11:22 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
232.	02/23/2011 11:30 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
233.	02/23/2011 11:30 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
234.	02/23/2011 11:31 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
235.	02/23/2011 11:54 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
236.	02/23/2011 12:04 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
237.	02/23/2011 13:12 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
238.	02/23/2011 13:13 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
239.	02/23/2011 15:15 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
240.	02/23/2011 15:56 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
241.	02/28/2011 15:46 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
242.	03/01/2011 14:29 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
243.	03/01/2011 15:04 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
244.	03/01/2011 15:07 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
245.	03/03/2011 12:53 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
246.	03/03/2011 13:46 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
247.	03/04/2011 10:30 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
248.	03/08/2011 11:38 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
249.	03/11/2011 10:24 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
250.	03/11/2011 11:50 EST	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
251.	03/16/2011 09:57 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
252.	03/16/2011 09:58 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
253.	03/16/2011 14:15 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
254.	03/21/2011 09:20 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
255.	03/21/2011 11:33 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
256.	03/21/2011 12:58 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
257.	03/21/2011 12:59 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
258.	03/21/2011 16:19 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED

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	Date	Email Subject/Line	Sender	Recipient
1007.	06/14/2011 11:04 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1008.	06/14/2011 11:04 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1009.	06/14/2011 11:05 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1010.	06/14/2011 11:05 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1011.	06/14/2011 11:07 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1012.	06/14/2011 11:08 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1013.	06/14/2011 11:08 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1014.	06/14/2011 11:09 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1015.	06/14/2011 11:10 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1016.	06/14/2011 11:10 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1017.	06/14/2011 11:11 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1018.	06/14/2011 11:11 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1019.	06/14/2011 11:12 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1020.	06/14/2011 11:13 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1021.	06/14/2011 11:15 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1022.	06/14/2011 11:13 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1023.	06/14/2011 11:14 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1024.	06/14/2011 11:15 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1025.	06/14/2011 11:15 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1026.	06/14/2011 11:16 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1027.	06/14/2011 11:16 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1028.	06/14/2011 11:17 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1029.	06/14/2011 11:18 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1030.	06/14/2011 11:18 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1031.	06/14/2011 11:19 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1032.	06/14/2011 18:31 EDT	Signpath Pharma Inc.	Meyers employee ES on behalf of Bruce Meyers	REDACTED
1033.	06/15/2011 09:44 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1034.	06/15/2011 14:15 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1035.	06/15/2011 14:27 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1036.	06/15/2011 14:28 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED
1037.	06/15/2011 14:38 EDT	SignPath Pharma	bruce meyers <bmeyers@meyersassociateslp.com>	REDACTED

Exhibit B

EXHIBIT B TO COMPLAINT

LIST OF UNREPORTED COMPLAINTS

	Customer	Complaint date
1.	AO	July 13, 2010
2.	DD	July 9, 2010
3.	MD	July 7, 2010
4.	CZ	July 5, 2010
5.	GR	February 1, 2010 - June 24, 2010
6.	SP	June 7, 2010
7.	JP	May 6, 2010
8.	RW	March 10, 2010
9.	DF	March 26, 2010
10.	LG	March 6, 2009
11.	FS	March 1, 2010
12.	AB	January 28, 2010
13.	ST	November 23- December 2, 2009
14.	PS	September 15-17, 2009
15.	AD	August 20, 2009
16.	MH	August 10, 2009
17.	AB	August 6, 2009
18.	AF	August 4, 2009
19.	JM	July 28, 2009
20.	PC	July 21, 2009
21.	SW	June 20, 2009
22.	LM	June 19, 2009
23.	AB	June 18, 2009
24.	VB	June 16, 2009
25.	JF	June 10, 2009
26.	JC	June 4, 2009
27.	PE	May 29, 2009
28.	DeD	February 18, 2009
29.	LD	December 16, 2008
30.	RV	December 10, 2008
31.	DD	November 26, 2008
32.	JH	November 21, 2008
33.	LA	September 12, 2008
34.	CM	August 11, 2008
35.	HV	June 18, 2008
36.	CP	May 28, 2008
37.	MI	April 9, 2008
38.	MH	March 27, 2008
39.	SS	March 24, 2008

	Customer	Complaint date
40.	DN	February 20, 2008
41.	WH	February 16, 2008
42.	MM	February 11, 2008
43.	SL	February 7, 2008
44.	NP	January 23, 2008
45.	MF	August 14, 2007
46.	RH	August 10, 2007
47.	GL	August 7, 2007
48.	PW	June 28, 2007
49.	BA	March 28, 2007
50.	ID	March 26, 2007