

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

PHILIP M. CAIN
(CRD No. 2703720),

Respondent.

Disciplinary Proceeding
No. 2011027099701

Hearing Officer – MC

DEFAULT DECISION

December 5, 2011

Respondent is barred from associating with any FINRA member firm in any capacity for: (i) converting customer funds, in violation of NASD Conduct Rules 2110 and 2330, and FINRA Conduct Rules 2010 and 2150; and (ii) failing to respond to requests for information, in violation of FINRA Conduct Rule 2010 and Procedural Rule 8210. No additional sanction is imposed for Respondent's fraudulent misconduct, in violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and NASD Conduct Rules 2110 and 2120, and FINRA Conduct Rules 2010 and 2020.

Appearances

Jonathan Golomb, Esq., Senior Special Counsel, Washington, DC, for the Department of Enforcement.

No appearance by or on behalf of Respondent.

DECISION

The Department of Enforcement filed the attached three-cause Complaint in this disciplinary proceeding on August 1, 2011, against Respondent Philip M. Cain. The first two causes of action of the Complaint charge that between September 2008 and March 2010, Cain: (i) converted customer funds in violation of NASD Conduct Rules 2110 and 2330, and FINRA

Conduct Rules 2010 and 2150;¹ and (ii) engaged in fraudulent sales practices, including making material misrepresentations in connection with the purchase or sale of securities and creating false account statements to deceive customers, in violation of Section 10(b) of the Securities Exchange Act of 1934, SEC Rule 10b-5 thereunder, NASD Conduct Rules 2110 and 2120, and FINRA Conduct Rules 2010 and 2020. The final cause of action alleges that between April and June 2011 Cain failed to respond to requests for information issued to him pursuant to FINRA Procedural Rule 8210, in violation of FINRA Conduct Rule 2010 and Procedural Rule 8210.

Despite being served with the Complaint, Notice of Complaint, and Second Notice of Complaint, Respondent has not filed an Answer or otherwise responded to the Complaint.

On September 30, 2011, Enforcement filed a Motion for Entry of Default Decision, supported by the Declaration of Jonathan Golomb and six exhibits.²

I. Jurisdiction

Cain was a registered representative with FINRA member firm Commonwealth Financial Network from August 2006 to August 2010, and with FINRA member firm H. Beck, Inc. (“Beck”) from September 2010 until March 9, 2011, when Beck discharged him.³ Although he is not currently registered with a FINRA member firm, Cain remains subject to FINRA’s jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA’s By-

¹ As of July 30, 2007, NASD consolidated with the member regulation and enforcement functions of NYSE Regulation and began operating under a new corporate name, the Financial Industry Regulatory Authority (FINRA). References in this decision to FINRA include, where appropriate, NASD. Following consolidation, FINRA began developing a new FINRA Consolidated Rulebook. The first phase of the new consolidated rules became effective on December 15, 2008, including certain conduct rules and procedural rules. *See* Regulatory Notice 08-57 (Oct. 2008). NASD Conduct Rules 2110, 2120, and 2330 were replaced by FINRA Conduct Rules 2010, 2020, and 2150, respectively, effective December 15, 2008. Thus, Cain’s conversions of customer funds that occurred between September 2008 and December 14, 2008, violated NASD Conduct Rules 2110 and 2330; his conversions of customer funds after December 14, 2008, violated FINRA Conduct Rules 2010 and 2150. Similarly, Cain’s fraudulent misconduct from September 2008 to December 14, 2008, violated NASD Conduct Rules 2110 and 2120; his fraudulent misconduct after December 14, 2008, violated FINRA Conduct Rules 2010 and 2020.

² The factual determinations in this decision are based on the allegations of the attached Complaint and the materials Enforcement filed with its default motion, which included Jonathan Golomb’s Declaration in Support of Motion for Entry of Default Decision, and the exhibits attached to the Declaration. The Declaration is referred to as “Decl.” or “Golomb Decl.” The exhibits are referred to as “CX-__.”

³ Decl. ¶ 2; CX-1, p. 3; CX-2, p. 2.

Laws, because the Complaint (i) was filed within two years after the termination of his registration with a member firm, and (ii) charges him with misconduct while he was registered with a member firm, and with failing to respond to Rule 8210 requests issued within two years following the termination of his registration with a member firm.

II. Respondent's Default

On August 1, 2011, Enforcement served the Complaint and Notice of Complaint by certified mail and first-class mail on Cain at his residential address listed in the Central Registration Depository ("CRD address")⁴ and at an alternative address at a federal correctional facility where Enforcement learned Cain was incarcerated awaiting trial.⁵ The Postal Service returned the certified mailing served at Cain's CRD address unclaimed.⁶ A return receipt card appearing to have been signed "A. G. Martin" reflected that the certified mailing served on Cain at the correctional facility had been delivered on or about August 5, 2011.⁷ The Postal Service did not return the first-class mailings to Enforcement.⁸

Enforcement served the Complaint and Second Notice of Complaint upon Cain at both his CRD address and the federal correctional facility by certified and first-class mail on August 30, 2011.⁹ The Postal Service returned the certified mailing served on Cain's CRD address unclaimed.¹⁰ A return receipt card, this time appearing to have been signed "J. Grigsby," reflected that the certified mailing served on Cain at the federal correctional facility had been

⁴ Decl. ¶¶ 4-5.

⁵ Decl. ¶¶ 7-8.

⁶ Decl. ¶ 6; CX-3.

⁷ Decl. ¶ 9; CX-4.

⁸ Decl. ¶ 10.

⁹ Decl. ¶¶ 11, 13.

¹⁰ Decl. ¶ 12; CX-5.

delivered on or about September 2, 2011.¹¹ Respondent has not answered or otherwise responded to the Complaint.

By serving the Complaint, Notice of Complaint, and Second Notice of Complaint upon Cain by certified mail at his CRD address, and at the alternative address, Enforcement complied with the requirements of Rule 9134 and provided him with constructive notice that the Complaint had been filed.¹² By failing to file an Answer, Cain defaulted. Accordingly, pursuant to Rules 9215(f) and 9269(a)(2), and for the reasons set forth below, the Default Motion is granted.

III. Violations

A. Cain Converted Customer Funds

On June 9, 2008, while employed as a registered representative with Commonwealth Financial Network, Cain registered a business name, “Commonwealth Financial Services,” with the Office of the Arizona Secretary of State using the address of the Commonwealth Financial Network branch office where he worked.¹³ In the registration documents, Cain identified “Philip McCain” as the owner of Commonwealth Financial Services,¹⁴ and he opened a bank account in the name of the newly registered business.¹⁵

Between September 2008 and March 2010, Cain recommended to seven of his customers that they invest in what he falsely represented as structured notes issued by Deutsche Bank. He told the customers that the notes could not be purchased directly through their Commonwealth Financial Network accounts. The customers withdrew funds totaling approximately \$1.3 million

¹¹ Decl. ¶ 14; CX-6.

¹² FINRA Procedural Rule 9134(a); *Dep’t of Enforcement v. Verdiner*, No. CAF020004, 2003 NASD Discip. LEXIS 42, at *5 (N.A.C. Dec. 9, 2003) (Rule 9134(b)(1) allows for constructive notice by mailing a complaint to the respondent’s most recent CRD address) (*citing Lubeck v. SEC*, 1998 U.S. App. LEXIS 18849, at *20 (9th Cir. Aug. 12, 1998)).

¹³ Complaint ¶¶ 7-8.

¹⁴ Complaint ¶ 9.

¹⁵ Complaint ¶ 10.

from their Commonwealth Financial Network accounts and either wrote checks or wired the funds to Commonwealth Financial Services for Cain to purchase Deutsche Bank notes on their behalf.¹⁶ However, instead of doing so, Cain converted the funds to his own use.¹⁷ When he converted the funds of five customers prior to December 15, 2008, Cain violated NASD Conduct Rules 2110 and 2330; when he converted the funds of two customers after December 15, 2008, he violated FINRA Conduct Rules 2010 and 2150, as alleged in the Complaint's First Cause of Action.

B. Cain Engaged in Fraudulent Conduct

Cain fabricated quarterly account statements that appeared to be from Deutsche Bank for each of the seven customers. On the fraudulent statements Cain included the address and telephone number of a Deutsche Bank Securities, Inc. office in California, imprinted the statements with "Deutsche Bank member NYSE, NASD, SIPC," and showed what appeared to be interest accrued on the notes.¹⁸ Cain sent the fraudulent account statements to the customers through the U.S. Postal Service.¹⁹ As part of his deceptive scheme, Cain wrote checks or wired funds to three of the customers from the Commonwealth Financial Services bank account, totaling approximately \$42,000, to give the appearance of paying those customers interest on the notes they believed they had purchased.²⁰

By falsely representing that he would invest customer funds in structured notes, creating false account statements, and establishing a bank account in a business name closely resembling the name of his employer firm, Cain made false representations of material fact, employed devices and artifices to defraud in connection with the purchase or sale of securities, and engaged

¹⁶ Complaint ¶¶ 11-18.

¹⁷ Complaint ¶ 19.

¹⁸ Complaint ¶¶ 22-26.

¹⁹ Thus, in the course of converting their funds, Cain utilized the means and instrumentalities of interstate commerce, including interstate banking facilities and the mails. Complaint ¶ 27.

²⁰ Complaint ¶¶ 7-20.

in a course of conduct operating as a fraud on the customers, in violation of Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder. By engaging in this course of conduct with the five customers prior to December 15, 2008, Cain also violated NASD Conduct Rules 2110 and 2120; for those customers he defrauded in this scheme after December 15, 2008, Cain violated FINRA Conduct Rules 2010 and 2020, as alleged in the Complaint's Second Cause of Action.

C. Cain Failed to Comply with Requests for Information

On April 8, 2011, FINRA staff sent Cain a request for information pursuant to Rule 8210 at his CRD address. On April 28, 2011, Cain's counsel notified FINRA staff by letter that because of pending criminal charges, Cain declined to respond to the request for information. On May 23, 2011, FINRA staff sent a second request for information to Cain's CRD address. Cain did not respond to the requests and did not provide the requested information.²¹

By refusing to respond to the requests for information FINRA staff issued to him pursuant to Rule 8210, Cain violated FINRA Conduct Rule 2010 and Procedural Rule 8210.²²

IV. Sanctions

FINRA's Sanction Guidelines recommend the imposition of a bar for conversion or improper use of funds, regardless of the amount of the funds converted.²³ Because Cain's fraudulent activity arose from the same course of conduct as the conversions, Enforcement, appropriately, does not seek a separate penalty for Cain's fraudulent conduct described in the Complaint's Second Cause of Action.

²¹ Complaint ¶¶ 32-35.

²² Pending criminal charges do not excuse a failure to comply with a request for information issued pursuant to Rule 8210, nor do they provide mitigation for the purposes of sanctions for such a failure. *Charles C. Fawcett*, Exch. Act Rel. No. 56770, 2007 SEC LEXIS 2598 (Nov. 8, 2007).

²³ *FINRA Sanction Guidelines*, p. 36 (2011).

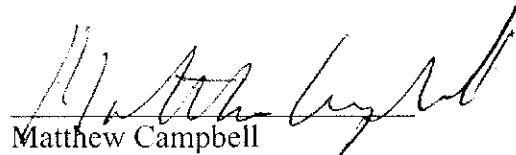
The Guidelines for a failure to respond to a request for information issued pursuant to Rule 8210 also recommend imposition of a bar.²⁴

In this case, Cain's misconduct was so prolonged, substantial, and egregious that barring him is required to deter him and others from similar misconduct.

V. Conclusion

Respondent Philip M. Cain is barred from associating with any FINRA member firm in any capacity for conversion of funds, in violation of NASD Conduct Rules 2110 and 2330, and FINRA Conduct Rules 2010 and 2150, and for failing to respond to requests for information, in violation of FINRA Conduct Rule 2010 and Procedural Rule 8210.²⁵ Because the violations arose from the same course of conduct as the conversions, no additional sanction will be imposed upon Cain for his fraudulent sales practices, in violation of Section 10(b) of the Securities Exchange Act of 1934, SEC Rule 10b-5, NASD Conduct Rules 2110 and 2120, and FINRA Conduct Rules 2010 and 2020.

The bars will become effective immediately if this decision becomes FINRA's final disciplinary action in this proceeding.


Matthew Campbell
Hearing Officer

Copies to:

Philip M. Cain (via overnight courier and first-class mail)
Jonathan I. Golomb, Esq. (via electronic and first-class mail)
David R. Sonnenberg, Esq. (via electronic and first-class mail)

²⁴ *Id.* at p. 33.

²⁵ Enforcement did not seek, and the Hearing Officer is not issuing, an order of restitution because Commonwealth Financial Network repaid Cain's customers in full.

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

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

PHILIP M. CAIN (CRD No. 2703720),

RESPONDENT.

**DISCIPLINARY PROCEEDING
No. 2011027099701**

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between September 2008 and March 2010, Philip Cain converted over \$1.3 million from seven of his customers through the use of false and misleading statements and documents. He induced the customers to invest their funds in what he described as structured notes, telling them to write checks for the investment in the name of an entity he created, the name of which was similar to the name of his employing firm. He deposited the checks into an account he controlled in the name of that entity, thereby converting the funds. In order to avoid detection, Cain fabricated and sent to the customers false account statements reflecting supposed ownership of the structured notes. By virtue of this conduct, Cain converted customer funds in violation of NASD Rules 2330 and 2110 and FINRA Rules 2150 and 2010, and engaged in fraud in violation of Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 thereunder, NASD Rules 2120 and 2110, and FINRA Rules 2020 and 2010.

2. In addition, between April and June 2011, Cain refused to provide information in response to FINRA Rule 8210 requests, thereby violating that rule and FINRA Rule 2010.

RESPONDENT

3. Philip M. Cain (CRD 2703720) is a 48 year old resident of Arizona. He joined the securities industry in January 1996. He was a registered representative with Commonwealth Financial Network from August 2006 until August 2010, when he was permitted to resign due to low production. Cain worked out of a three registered representative branch that was not an Office of Supervisory Jurisdiction. He joined H. Beck, Inc. as a registered representative in September 2010. He was terminated by that firm on March 9, 2011.

4. Cain was arrested on charges of fraud on February 25, 2011, for the same misconduct alleged in this Complaint. The criminal charges, which were amended in March 2011 to include mail fraud, wire fraud, and money laundering-related charges, are pending.

5. Although Cain has not been associated with a FINRA member firm since March 9, 2011, 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 is being filed within two years after the date upon which he ceased to be associated with a FINRA member and (2) the Complaint charges him with misconduct committed while he was associated with a FINRA member.

FIRST CAUSE OF ACTION

Conversion of Customer Funds (NASD Rules 2330 and 2110; FINRA Rules 2150 and 2010)

6. Paragraphs 1-5 are repeated and realleged herein.

7. On June 9, 2008, Cain registered the business name "Commonwealth Financial Services" with the Arizona Secretary of State's Office. This name closely resembles that of his employer at the time, Commonwealth Financial Network.

8. The registered address for Commonwealth Financial Services was the same as the

address of the branch of Commonwealth Financial Network where Cain worked.

9. Instead of using his actual name, Philip M. Cain, on the state registration for Commonwealth Financial Services, Cain identified the owner of the entity as "Philip McCain."

10. Between June and September 2008, Cain established a bank account in the name of Commonwealth Financial Services.

11. Between September 2008 and March 2010, Cain induced seven of his customers to give him money by falsely promising to invest the funds in structured notes issued by Deutsche Bank, as set forth in the paragraphs 12-18.

12. Customer **E.M.** had an account with Cain at Commonwealth Financial Network. In or about September 2008, Cain recommended that she buy a structured note issued by Deutsche Bank, which he said could not be purchased directly through her Commonwealth Financial Network account. At his direction, E.M. withdrew \$133,000 from her Commonwealth Financial Network account on September 17 and 18, 2008, and gave Cain a check for \$130,000 on September 18, 2008, made out to Commonwealth Financial Services.

13. Customers **J.B. and J.B.** had three accounts with Cain at Commonwealth Financial Network, including an account titled "**B.**" **Family Trust**. In March 2009, Cain recommended that they invest in Deutsche Bank structured notes, which he said could not be purchased directly through their Commonwealth Financial Network account. They withdrew \$400,000 from the B. Family Trust account on March 12, 2009, and gave Cain two \$200,000 checks, dated March 14 and 17, 2009, payable to Commonwealth Financial Services. In April 2010, they received a \$12,761.28 wire transfer from Commonwealth Financial Services, purportedly as an interest payment on the note.

14. Customers **I.B. and P.S.** had an account with Cain at Commonwealth Financial

Network entitled the **“B. and S.” Family Trust**. In September 2008, Cain recommended that they invest in Deutsche Bank structured notes, which he said could not be purchased directly through their Commonwealth Financial Network account. At his direction, they withdrew \$75,000 from the B. and S. Family Trust Commonwealth Financial Network brokerage account on September 26, 2008, and gave him a check for that amount dated September 26, 2008, made out to Commonwealth Financial Services to purchase the note. In October 8, 2008, they withdrew an additional \$15,000 from their Continental Financial Network account, and wrote an additional check in that amount dated October 8, 2008, made out to Commonwealth Financial Services.

15. Customers **M.B. and J.M.B.** had an account with Cain at Commonwealth Financial Network. In August 2009, Cain recommended that they invest in a Deutsche Bank structured note, which he said could not be purchased directly through their Commonwealth Financial Network account. At his direction, they withdrew \$85,000 from their Commonwealth Financial Network brokerage account on August 18, 2009, and gave him a check for \$100,000 dated September 10, 2009, comprised of those and additional funds, made out to Commonwealth Financial Services to purchase the note.

16. Customer **J.C.** had two accounts with Cain at Commonwealth Financial Network. In November 2008, Cain recommended that he invest in a Deutsche Bank structured note, which Cain said could not be purchased directly through J.C.’s Commonwealth Financial Network account. At Cain’s direction, J.C. withdrew \$100,000 from one of his Commonwealth Financial Network brokerage accounts on November 17 and 20, 2008, and gave him a check for \$100,000 dated November 27, 2008, made out to Commonwealth Financial Services to purchase the note. J.C. gave Cain another check payable to Commonwealth Financial Services, dated December 10,

2009, for an additional \$18,000 investment. In January 2010, Cain induced J.C. to invest more money in the notes. J.C. withdrew \$214,985 from his other Commonwealth Financial Network brokerage account on January 5, 2010, and wired that amount on the following day to Commonwealth Financial Services, Attn: Philip Cain, at the bank holding the Commonwealth Financial Services account.

17. Customer **A.R.** had an account with Cain at Commonwealth Financial Network. In May 2010, he recommended that she purchase a Deutsche Bank structured note, which he said could not be purchased directly through her Commonwealth Financial Network account. At Cain's direction, she withdrew \$99,985 from her Commonwealth Financial Network brokerage account on May 19, 2010, and gave him a check for \$100,000 dated May 24, 2010, made out to Commonwealth Financial Services to purchase the note.

18. Customer **S.W.** had an account with Cain at Commonwealth Financial Network. In October 2008, he recommended that she purchase a Deutsche Bank structured note, which he said could not be purchased directly through her Commonwealth Financial Network account. At Cain's direction, she withdrew \$90,000 and \$85,000 from her Commonwealth Financial Network brokerage account on October 1 and 14, 2008, respectively, and gave him two checks in those amounts, dated October 1 and October 3, 2008, made out to Commonwealth Financial Services to purchase the notes. In November 2009, she received payments of \$14,676.95 and \$12,587.88, purportedly as interest on the notes. The \$14,676.95 was paid by wire transfer from a bank account of Commonwealth Financial Services, and the other payment was made by cashier's check indicating Commonwealth Financial Services as the source of the funds.

19. Instead of using the \$1.3 million in funds provided by his customers to purchase structured notes, as described in paragraphs 6-18 above, Cain deposited the money into his

Commonwealth Financial Services account, thereby converting his customers' funds to his own use.

20. By converting his customers' funds to his own use, Cain made improper use customers' funds in violation of NASD Rule 2330 (for conduct before Dec. 14, 2009) and FINRA Rule 2150 (for later conduct), and engaged in conduct inconsistent with high standards of commercial honor and just and equitable principles of trade, in violation of NASD Rule 2110 (for conduct before Dec. 14, 2008) and FINRA Rule 2010 (for later conduct).

SECOND CAUSE OF ACTION

Fraud

(Sec. 10(b) of the Securities Exchange Act, Rule 10b-5 Thereunder, NASD Conduct Rules 2110 and 2120, and FINRA Conduct Rule 2010)

21. Paragraphs 1 through 20 are repeated and realleged herein.

22. In order to lull his customers into believing that they owned the structured notes, Cain generated false quarterly account statements from "Deutsche Bank" for each of the customers identified above.

23. These statements did not indicate which specific Deutsche Bank entity they were supposedly issued by, but created the appearance of being issued by Deutsche Bank Securities, Inc. They bore the address and telephone number of a Deutsche Bank Securities, Inc. office in California, and contained the notation "Deutsche Bank member NYSE, NASD, SIPC."

24. The false account statements reflected the purported ownership of the notes identified above for each customer, and reflected the supposed accrual of interest on those notes.

25. Cain sent the false account statements to the customers identified above on a quarterly basis. Some or all of the statements were sent through the U.S. Postal Service.

26. In reality, none of the customers had accounts at Deutsche Bank Securities, Inc., and Cain had fabricated the account statements. The account numbers on the statements were not actual Deutsche Bank Securities, Inc. account numbers.

27. Cain used the means and instrumentalities of interstate commerce (including but not limited to interstate banking facilities), and the mails, to perpetrate his scheme.

28. By falsely promising to invest his customers' money in structured notes, by creating false account statements, and by establishing a bank account designed to fool customers into believing that they were remitting money to Cain's employing firm, Cain, in connection with the purchase or sale of securities, employed devices, schemes, and artifices to defraud; made untrue statements of material fact; and engaged in acts, practices, or courses of conduct which operated as a fraud or deceit upon the customers identified above, in violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

29. In addition, by engaging in the conduct set forth in this Second Cause of Action, Cain induced the purchase or sale of securities by means of manipulative, deceptive, or other fraudulent devices, in violation of NASD Rule 2120 (for conduct before Dec. 14, 2008) and FINRA Rule 2020 (for later conduct).

30. By violating the provisions set forth in paragraphs 28-29 above, Cain also engaged in conduct inconsistent with high standards of commercial honor and just and equitable principles of trade, in violation of NASD Rule 2110 (for conduct before Dec. 14, 2008) and FINRA Rule 2010 (for later conduct).

THIRD CAUSE OF ACTION

Failure to Provide Information (FINRA Rules 8210 and 2010)

31. Paragraphs 1 through 30 are repeated and realleged herein.

32. On April 8, 2011, the FINRA Central Review Group staff sent Cain a Rule 8210 request for information to his residential address as reflected in CRD by certified mail and first class mail, with a response due by April 22, 2011. The certified mailing was delivered on April 12, 2011. The first class mailing has not been returned, indicating that it too was delivered.

33. On April 28, 2011, Cain's counsel in the criminal proceedings against him sent a letter to the staff acknowledging receipt of the letter by Cain's wife, and advising the staff that, based on the pending criminal charges, Cain would not respond to the request for information.

34. On May 23, 2011, the Central Review Group staff sent Cain a second notice to his CRD address, by certified mail and first class mail, with a response due June 3, 2011. A notice for the certified mailing was left at his residence. The first class mailing has not been returned to the staff.

35. No further communication has been received from or on behalf of Cain. He has not provided the information requested by the April 8, 2011 or May 23, 2011 Rule 8210 requests.

36. By virtue of the foregoing, Cain violated FINRA Rule 8210, and also engaged in conduct inconsistent with high standards of commercial honor and just and equitable principles of trade, in violation of FINRA Rule 2010.

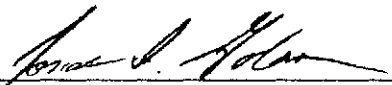
PRAYER FOR RELIEF

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, including that the Respondent be required to disgorge fully any and all ill-gotten gains, together with interest, and
- B. order that 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: August 1, 2011



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