

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

John J. Misulia (CRD No. 5330650),

Respondent.

DISCIPLINARY PROCEEDING
No. 2011029262201

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. During the period of September 2010 to July 2011 (the Relevant Period), John J. Misulia (Respondent) converted \$5,683.31 from his FINRA-regulated broker-dealer by charging personal expenses on a corporate credit card issued by his firm employer and failing to reimburse the firm for those expenses. By engaging in this misconduct, Respondent violated FINRA Rule 2010.

RESPONDENT AND JURISDICTION

2. Respondent entered the securities industry in April 2007 when he was briefly associated with a FINRA-regulated broker-dealer as a non-registered summer intern.

3. In July 2010, Respondent became dually employed by Barclays Capital, Inc. (Barclays or the Firm), a FINRA-regulated broker-dealer, as well as an affiliated entity.
4. From July 2010 through August 2011, Respondent was employed as a non-registered analyst in the Firm's Investment Banking Division. As an analyst, Respondent was primarily responsible for financial analysis/modeling, industry research, coordination of internal and external processes related to a financing or sale, and assistance in the preparation of offering materials.
5. Barclays filed a Form U4 Uniform Application for Securities Industry Registration dated March 24, 2011 for Respondent indicating that he was seeking registration as an Investment Banking Representative (Series 79) and a State Law Uniform Securities Agent (Series 63). In July 2011, Respondent failed both the Series 79 and 63 securities license examinations.
6. Given the nature of his responsibilities at the Firm and that he applied for securities registration under the rules of FINRA, Respondent was an associated person under Article 1, Section (rr) of FINRA's By-Laws.
7. Barclays filed a Form U5 Uniform Termination Notice for Securities Registration dated September 9, 2011 reporting Respondent's termination on August 12, 2011 for violating multiple non-securities related Firm policies.
8. Although Respondent is no longer 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 is being filed within

two years after the date upon which Respondent ceased to be associated with a FINRA member; and (2) the Complaint charges Respondent with misconduct committed while he was associated with a FINRA member.

FIRST CAUSE OF ACTION
Conversion of Employer Firm Funds
(FINRA Rule 2010)

9. The Department realleges and incorporates by reference paragraphs 1 to 8 above.
10. FINRA Rule 2010 requires all associated persons to observe high standards of commercial honor and just and equitable principles of trade.
11. Conversion occurs when there is an intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possess it.
12. Conversion of a broker-dealer's funds constitutes a violation of Rule 2010.
13. In connection with his employment at Barclays, on September 3, 2010, Respondent completed and signed an application for the issuance of a corporate credit card. The application expressly stated that the corporate card was to be used for "business charges ONLY [emphasis in the original]."
14. In addition, Respondent signed a Barclays Corporate Card Policy Declaration (the Declaration) in which he affirmed that he had "read, understood and agree[d] to the terms" of the Firm's Corporate Card Policy, which strictly prohibited the use of the corporate card for "personal non-business related items." The Declaration also stated: "Personal expenses should generally not be charged to the card. If any personal

expenses are charged [Respondent] shall settle this in a timely manner by providing a reimbursement check to the firm.”

15. During the Relevant Period, Respondent improperly used his corporate credit card on 78 occasions to make personal purchases, including food, clothing, electronics and other personal merchandise, totaling \$5,683.31. Moreover, of the \$5,683.31 charged, \$3,443.33, or approximately 60 percent, was charged by Respondent on 59 occasions during the month of July 2011 while he was on a Firm-approved vacation.

16. The following chart illustrates certain personal expenses exceeding \$100 that Respondent charged on his corporate credit card:

Date	Amount	Description
05/14/11	\$217.68	Sunglass Hut
05/17/11	\$324.62	Charles Tyrwhitt
06/18/11	\$237.44	Macy's East
06/19/11	\$103.98	Lacoste
06/24/11	\$199.00	Charles Tyrwhitt
07/01/11	\$798.00	Manhattan Ministorage
07/02/11	\$762.02	Bose
07/03/11	\$388.68	IKEA
07/04/11	\$287.47	Lacoste
07/05/11	\$163.28	Urban Outfitters
07/07/11	\$272.09	Bed Bath & Beyond
07/30/11	\$109.25	M.J. Armstrong's Restaurant

17. Respondent was never granted permission by Barclays to use the corporate credit card to charge personal expenses.

18. At the time Respondent made the personal charges, he knew, or should have known, that he was prohibited from using the corporate credit card to charge personal expenses.
19. The Firm paid for the personal charges incurred by Respondent on his corporate credit card.
20. By letter dated August 17, 2011, the Firm demanded that Respondent reimburse the Firm for the personal expense that he charged on the corporate credit card.
21. Respondent never reimbursed Barclays for the \$5,683.31 of personal expenses that he charged on his corporate credit card.
22. By improperly using his corporate credit card to charge personal expenses on 78 occasions during the Relevant Period, Respondent misappropriated \$5,683.31 from the Firm, in violation of FINRA Rule 2010.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent 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 Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330; and
- D. grant all further relief, legal or equitable, that is warranted under the circumstances.

FINRA DEPARTMENT OF ENFORCEMENT

Date:

July 5, 2013

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