

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

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

KENNY AKINDEMOWO (CRD 4315718),

RESPONDENT.

**DISCIPLINARY PROCEEDING
No. 2011029619301**

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. In December 2010 and March 2011, Kenny Akindemowo induced two individuals to invest a total of \$15,000 in private securities transactions. Instead of using the money as promised, however, Akindemowo misappropriated it and converted it to his own use, using their funds to pay his mortgage, taxes, and other personal expenses. He never repaid the money.

2. Akindemowo also failed to provide notice to his firm of, and obtain its permission for or acknowledgement of, his participation in the private securities transactions described above. In addition, he failed to notify his firm about his creation of and participation in an outside business venture, Goshen Wealth Management Group LLC.

3. By virtue of the foregoing, Akindemowo violated FINRA Rules 2010, 2020 and 3270, and NASD Rules 3030 and 3040.

RESPONDENT

4. Akindemowo entered the securities industry in January 2000. He has been employed with ten different firms since that time. His last employment in the securities industry

was with Pruco Securities Corp. He was registered with Pruco Securities from June 2010 until September 12, 2011, when he was allowed to resign in connection with one of the transactions discussed below. He has been registered as a Series 6, 7, 63, and 65.

5. Although Akindemowo 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 September 12, 2011, and (2) the Complaint charges him with misconduct committed while he was registered with a FINRA member.

FIRST CAUSE OF ACTION

MISAPPROPRIATION AND CONVERSION OF FUNDS (FINRA RULE 2010)

Background Information

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

7. In the summer of 2010, while registered with Pruco Securities, Akindemowo established an entity called Goshen Wealth Management Group LLC ("Goshen") in order to acquire an insurance business. He rented and furnished an office for Goshen, and registered Goshen as a business with the State of Minnesota on September 8, 2010.

8. On or about August 16, 2010, Akindemowo opened a bank account in the name of Goshen. He used this as his personal bank account because the bank closed his personal bank account when he overdrew it, and he was unable to open another account in his own name.

9. Akindemowo had an acquaintance who operated a business (referred to herein as "AVC") which pooled money borrowed from individuals at a specified rate of return, and loaned

the money to other businesses at a higher rate for 90-180 days or more, keeping the spread as profits.

Misappropriation and Conversion of A.G.'s Funds

10. In or about December 2010, Akindemowo asked a woman he was dating, "A.G.," to provide money for an investment in AVC.

11. Akindemowo told A.G. that the money would be pooled with funds from others and lent to other people in return for a better interest rate than that offered by banks.

12. Akindemowo showed A.G. information purportedly identifying other AVC investors.

13. On December 6, 2010, A.G. gave Akindemowo a cashier's check for \$10,000 made out to Goshen Wealth Management for an investment with AVC. Akindemowo deposited the check into Goshen's bank account.

14. Akindemowo used A.G.'s money for his own personal purposes, not as an investment in or loan to AVC. He used part of the money to pay back taxes, current taxes, and other expenses related to an investment property he partially owned in which he resided.

15. At the time Akindemowo took A.G.'s money, he had no ability to repay it.

16. Shortly after making her investment, A.G. asked Akindemowo to provide her with information relating to the investment, such as account statements, a prospectus, or a description of the investment. Akindemowo did not provide the information.

17. Thereafter, A.G. requested that her principal be returned, and Akindemowo agreed to do so by March 1, 2011. However, Akindemowo did not return A.G.'s principal by March 1, 2011, and to date has not done so.

18. Akindemowo never told A.G. that her money did not in fact go to AVC.

Misappropriation and Conversion of R.B.'s Funds

19. R.B., a real estate broker Akindemowo knew, contacted Akindemowo when she wanted to invest money.

20. Akindemowo told her that she could invest money in a pool of investor funds which would be lent at a high interest rate to people with low credit ratings through AVC. He told R.B. that she could get her money out with 90 days notice.

21. On March 28, 2011, R.B. gave Akindemowo a check for \$5,000, made out to Goshen Wealth Management.

22. As he had with A.G., Akindemowo used R.B.'s money for personal expenses, including a \$3,300 payment to his mortgage company made on the day he received the money from R.B.

23. R.B. repeatedly asked Akindemowo to provide information or documentation relating to the investment. Akindemowo never did so.

24. After several months of unsuccessful attempts to get information from Akindemowo, R.B. requested the return of her principal. Akindemowo promised to repay her by the end of July 2011, but did not do so. To date, Akindemowo has not returned any funds to R.B.

25. On or about August 20, 2011, Akindemowo gave R.B. a \$5,300 check drawn on Goshen's bank account. At the time he gave her the check, Akindemowo knew that he did not have sufficient funds in the account to honor it.

26. When R.B. tried to cash the check, it was denied due to insufficient funds in the account, the omission of R.B.'s last name on the payee line, and a discrepancy between the numerical and written amounts on the check.

27. Akindemowo misappropriated and converted funds from A.G. and R.B., as described above. By virtue of that conduct, Akindemowo failed to observe high standards of commercial honor and just and equitable principles of trade, in violation of FINRA Rule 2010.

SECOND CAUSE OF ACTION

FRAUD (FINRA RULES 2020 AND 2010)

28. Paragraphs 1 through 27 are repeated and realleged herein.

29. The AVC investment program offered by Akindemowo to A.G. and R.B. was a security in the form of an investment contract.

30. Akindemowo intentionally misrepresented material facts to A.G and R.B about how the funds being invested by them would be used and about the purpose of the supposed investment. In addition, he intentionally misled R.B. as to material facts about when she would be able to receive her investment back.

31. By virtue of the foregoing, Akindemowo induced the purchase of securities by the means of a manipulative, deceptive or other fraudulent device or contrivance, in violation of FINRA Rules 2020 and 2010.

THIRD CAUSE OF ACTION

FAILURE TO COMPLY WITH THE REQUIREMENTS FOR PARTICIPATION IN PRIVATE SECURITIES TRANSACTIONS (NASD RULE 3040 AND FINRA RULE 2010)

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

33. NASD Rule 3040 requires an associate person to provide written notice to the member with which the person is associated prior to participating in any private securities transaction.

34. Akindemowo did not provide written disclosure of his private securities transactions with AVC, A.G., or R.B. to his employing firm or obtain the firm's permission to engage in the transactions.

35. By virtue of the foregoing conduct, Akindemowo violated NASD Rule 3040 and FINRA Rule 2010.

FOURTH CAUSE OF ACTION

FAILURE TO COMPLY WITH THE NOTICE REQUIREMENTS FOR OUTSIDE BUSINESS ACTIVITIES (NASD RULE 3030 AND FINRA RULES 3270 AND 2010)

36. Paragraphs 1 through 35 are repeated and realleged herein.

37. FINRA Rule 3270 and its predecessor, NASD Rule 3030, requires a registered person to provide written notice to his or her firm prior to engaging in any business activity outside the scope of the business relationship with the member firm.

38. Akindemowo did not provide prompt written notice of his involvement and participation in Goshen Wealth Management Group LLC to his firm.

39. By virtue of the foregoing conduct, Akindemowo violated NASD Rule 3030 (for the period ending December 14, 2010), FINRA Rule 3270 (for the period beginning December 15, 2010), and FINRA Rule 2010.

PRAYER FOR RELIEF

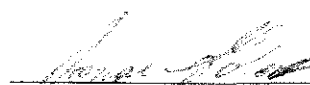
WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent(s) committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a) of the FINRA Code of Procedure be imposed; and

- C. 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: February 1, 2013



Jonathan Golomb, Senior Special 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