

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2012031721401**

TO: Department of Enforcement  
Financial Industry Regulatory Authority ("FINRA")

RE: Gary Neil Kornbluh, Respondent  
General Securities Representative  
CRD No. 1510228

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

**I.**

**ACCEPTANCE AND CONSENT**

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

**BACKGROUND**

Gary Neil Kornbluh entered the securities industry in 1986, when he was first employed by a member firm. He has been associated with multiple member firms throughout his career. He is currently associated with Ridgeway & Conger, Inc., ("Ridgeway") and has been since August 2008. Kornbluh currently holds Series 7, 63 and 65 licenses. Kornbluh is subject to FINRA's jurisdiction because he is registered through a FINRA member.

**RELEVANT DISCIPLINARY HISTORY**

Kornbluh does not have any relevant disciplinary history.

**OVERVIEW**

While Kornbluh was associated with Ridgeway, he failed to timely amend and/or disclose various tax liens and judgments on his Uniform Application for Securities Industry Registration and Transfer ("Form U4").

### **FACTS AND VIOLATIVE CONDUCT**

Article V, Section 2(c) of FINRA's By-Laws provides that every application for registration filed with FINRA shall be kept current at all times by supplementary amendments, which must be filed within thirty days after learning of the facts or circumstances giving rise to the amendment. Since at least 2010, Disclosure Question 14M of Form U4 has read: "Do you have any unsatisfied judgments or liens against you?"

FINRA Rule 1122 provides that: "No member or person associated with a member shall file with FINRA information with respect to membership or registration which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof."

While Kornbluh was associated with Ridgeway, he received notice of the following liens and judgments:

| <b><u>Lien or Judgment</u></b> | <b><u>Date of Recording</u></b> | <b><u>Lien Holder/Court</u></b>             | <b><u>Amount</u></b> | <b><u>Date Kornbluh On Notice</u></b> | <b><u>Date Disclosed on Form U4</u></b> |
|--------------------------------|---------------------------------|---------------------------------------------|----------------------|---------------------------------------|-----------------------------------------|
| Judgment                       | 09/05/2006                      | New Jersey state court                      | \$1,312.96           | 12/29/2011                            | 09/02/2014                              |
| Lien                           | 04/04/2011                      | IRS                                         | \$45,394             | 09/24/2012                            | 02/22/2013                              |
| Lien                           | 10/11/2011                      | New York Department of Finance and Taxation | \$7,349              | 03/21/2012                            | 09/02/2014                              |
| Judgment                       | 12/01/2011                      | New York state court                        | \$10,761             | 09/24/2012                            | 02/22/2013                              |
| Lien                           | 05/22/2012                      | IRS                                         | \$7,703              | 09/24/2012                            | 02/22/2013                              |

Kornbluh should have updated his response to Question 14M of the Form U4 within 30 days of receiving notice of the filing of each of the above liens and judgments, however, he failed to do so.

Kornbluh's failure to timely amend and/or disclose the above-referenced liens and judgments on his Form U4 was in contravention of Article V, Section 2 of FINRA's By-Laws and in violation of FINRA Rules 1122 and 2010.

B. I also consent to the imposition of the following sanctions:

A four month suspension from association with any FINRA member firm in all capacities.<sup>1</sup>

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff.

## II.

### WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

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<sup>1</sup> On June 27, 2014, Kornbluh filed a Chapter 13 bankruptcy petition pursuant to Title 11, United States Code. Accordingly, no monetary sanction is being assessed in this matter.

### **III.**

#### **OTHER MATTERS**

I understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
  - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
  - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record.
  - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313, and
  - 4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

Date

09/03/2014

Gary Neil Kornbluh, Respondent

Reviewed by:

Robert Wayne Pearce

Robert Wayne Pearce, Esq.  
Counsel for Respondent  
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561-338-0037

Accepted by FINRA:

09-18-2014

Date

Signed on behalf of the  
Director of ODA, by delegated authority

Suzanne H. Bertollett

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