

FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Anthony P. Le (CRD No. 2887469),

Respondent.

DISCIPLINARY PROCEEDING
No. 2013039338501

Hearing Officer:

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between approximately March and November 2013, Respondent Anthony P. Le misused and converted a total of approximately \$89,626 from his firm and from a fellow employee. Le converted the funds by improperly creating or falsifying 126 trade order tickets to either increase his own commissions or to substitute himself as the salesperson of record. Le's conversion and misuse violated FINRA Rule 2010.

2. In addition, Le's falsification of documents violated FINRA Rule 2010. Further, because the order tickets are firm records, Le caused the Firm to violate Section 17(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 17a-3 promulgated thereunder, and he thereby violated FINRA Rules 4511 and 2010.

RESPONDENT AND JURISDICTION

3. In November 1999, Le entered the securities industry when he became associated with a FINRA member firm in an unregistered capacity until August 2000. In February 2001, Le

became registered as a General Securities Representative with a FINRA member firm. Thereafter, he was registered with other four member firms before joining CCS as a GS on January 4, 2011. Subsequently, Le became registered as a GS with Pierpont Securities, LLC (“Pierpont” or “the Firm”) on March 1, 2013 when CCS merged with Pierpont. On November 6, 2013, Le resigned from Pierpont. On December 2, 2013, Le became registered with LO as a GS.

4. Under Article V of FINRA’s By-Laws, FINRA possesses jurisdiction over Le because: (a) he is currently registered and associated with a FINRA member; and (b) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member firm.

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

5. The Department realleges and incorporates by reference paragraphs 1 through 4 above.

6. Until he resigned on November 6, 2013, and at all times relevant to this Complaint, Le was a corporate bond salesman at Pierpont.

7. In 2013, Firm traders had the authority, within limits, to determine the commissions to be paid to sales personnel, including Le, on corporate bond transactions. According to the Firm’s policy, salesmen were not permitted to subsequently change a commission set by a trader without authorization from a trader, or from the Firm’s Operations Department with a trader’s approval.

8. On 50 occasions between approximately March 6, 2013 and November 4, 2013, Le caused commissions on his trades to be increased without the knowledge, permission or

consent of a Firm trader.¹ Le increased his commissions by accessing the Bloomberg terminals of traders, including KM, after 5:00 p.m. and after the traders had left the office for the day. Le accessed the traders' Bloomberg terminals without the traders' knowledge, authorization or consent.

9. When he accessed the Bloomberg terminals after 5:00 p.m., Le cancelled the ticket with the correct commission which remained a record of the firm and created a new order ticket with an inaccurate commission. As a result of falsifying 100 order tickets in this manner, Le increased his net payout of commissions by approximately \$71,843, which Pierpont paid to him.

10. Conversion 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.

11. Le converted approximately \$71,843 from Pierpont by increasing commissions without authorization for his own personal benefit.

12. By converting approximately \$71,843 from Pierpont, Le acted in a manner inconsistent with high standards of commercial honor and just and equitable principles of trade.

13. As a result of the foregoing conduct, Le violated FINRA Rule 2010.

SECOND CAUSE OF ACTION
Conversion and Misuse of Funds Belonging to Another Registered Representative
(FINRA Rule 2010)

14. The Department realleges and incorporates by reference paragraphs 1 through 13 above.

15. Until he resigned on November 4, 2013, and at all times relevant to this Complaint, Le was a member of a sales team with three other registered representatives, including DM. In his capacity as a member of the sales team, Le had the ability to change trade

¹ A list of the 50 trades for which Le increased the commissions is attached hereto as **Exhibit A**.

order tickets using his Bloomberg terminal, including changing the salesperson of record, for any client that was serviced by his sales team.

16. On 13 occasions, from approximately May 15, 2013 through September 23, 2013, Le, while logged into the Bloomberg system, altered trade order tickets to identify himself as the salesperson of record, in place of DM.² This alteration was false, because DM, not Le, was the coverage sales person of record, and was entitled to the sales commissions. DM had been correctly designated the salesperson on the original trade tickets. By altering the trade tickets to falsely identify himself as the salesperson of record, Le caused the firm to erroneously pay Le the commissions from those 13 trades.

17. These 13 trades generated gross commissions of approximately \$48,419, resulting in a payout to Le of approximately \$17,783.

18. At the time of the 13 transactions, DM and Pierpont had no knowledge that Le had altered the trade tickets to substitute himself as the salesperson of record for the thirteen transactions. Neither DM nor Pierpont authorized Le to make these changes.

19. Le falsified the tickets by altering the existing order ticket, which remained a record of the firm that correctly identified DM as salesperson of record, and by creating a new ticket identifying Le as salesperson of record. In the course of making himself the salesperson of record for the 13 transactions, Le falsified 26 trade order tickets.

20. Le converted approximately \$17,783 from DM for his own benefit by making himself the salesperson of record for the 13 transactions without authorization.

21. By converting approximately \$17,783 from DM, Le acted in a manner inconsistent with high standards of commercial honor and just and equitable principles of trade.

22. As a result of the foregoing conduct, Le violated FINRA Rule 2010.

² A list of the 13 trade tickets altered by Le is attached hereto as **Exhibit B**.

THIRD CAUSE OF ACTION
Falsification of Firm Documents
(Violation of FINRA Rule 2010)

23. The Department realleges and incorporates by reference paragraphs 1 through 22 above.

24. Le falsified Firm records by improperly creating or falsifying 126 order tickets, through which he either (i) increased the amount of commissions he would receive on transactions without the necessary authority, knowledge or consent of a trader, or (ii) wrongfully removed DM and substituted himself as the salesperson of record on trades for which DM was the actual salesperson of record.

25. By altering and thereby falsifying information on Firm order tickets, Le violated FINRA Rule 2010.

FOURTH CAUSE OF ACTION
Causing the Firm to Maintain Inaccurate Books and Records
(Violation of FINRA Rules 2010 and 4511)

26. The Department realleges and incorporates by reference paragraphs 1 through 25 above.

27. FINRA Rule 4511 requires member firms to “make and preserve books and records as required under the FINRA rules, the Exchange Act and the applicable Exchange Act rules.” SEC Rule 17a-3, promulgated under Section 17(a) of the Exchange Act, sets forth the records that are required to be maintained by member firms. Records relating to the terms of conditions of brokerage orders are required to be maintained by the Firm pursuant to SEC Rule 17a-3(a)(6)(i).

28. By creating inaccurate and false records of orders, including altering the commission amounts due to Le and changing the salespersons of record from DM to himself, Le caused the

Firm to violate Section 17(a) of the Exchange Act and Rule 17a-3 promulgated thereunder. Le, therefore, violated FINRA Rules 4511 and 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.

FINRA DEPARTMENT OF ENFORCEMENT

Date: 9-30-14



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EXHIBIT A

Trades in which Le Increased his Commissions

No	Date of Original Trade	Amount of Gross Original Commission	Date of Change to Commission Amount	Account Name	Amount of Changed Gross Commission ¹	Payout to Le
1	March 6, 2013	\$914	March 7, 2013	JPS	\$6,135	\$1,827
2	March 7, 2013	\$1,152	March 7, 2013	JPS	\$4,800	\$1,268
3	March 15, 2013	\$300	March 18, 2013	MS	\$3,000	\$945
4	March 15, 2013	\$300	March 18, 2013	MS	\$3,000	\$945
5	March 19, 2013	\$2,200	March 19, 2013	MS	\$4,800	\$910
6	March 26, 2013	\$300	March 26, 2013	JPS	\$3,000	\$945
7	April 1, 2103	\$0	April 1, 2013	MS	\$4,974	\$1,990
8	April 3, 2013	\$6,254	April 3, 2013	MS	\$7,983	\$605
9	April 3, 2013	\$2,512	April 3, 2013	AB	\$4,751	\$784
10	April 12, 2013	\$370	April 16, 2013	JPO	\$3,700	\$1,332
11	April 16, 2013	\$200	April 16, 2013	JPS	\$850	\$228
12	April 19, 2013	\$0	April 22, 2013	JPIM	\$1,500	\$525
13	April 22, 2013	\$114	April 22, 2013	GS	\$1,940	\$639
14	April 22, 2013	\$200	April 22, 2013	JPS	\$900	\$245
15	April 29, 2013	\$2,200	April 29, 2013	MS	\$3,200	\$350
16	April 29, 2013	\$4,500	April 30, 2013	LA	\$9,500	\$1,750
17	May 2, 2013	\$500	May 6, 2013	LA	\$4,950	\$1,558
18	May 2, 2013	\$755	May 6, 2013	GS	\$7,550	\$2,378
19	May 8, 2013	\$1,375	May 8, 2013	MS	\$3,925	\$1,020
20	May 14, 2014	\$210	May 14, 2013	JPIM	\$2,816	\$912
21	May 17, 2013	\$1,500	May 20, 2013	MS	\$3,500	\$800
22	May 20, 2013	\$359	May 20, 2013	MS	\$3,950	\$1,257
23	June 5, 2013	\$1,400	June 5, 2013	MS	\$14,000	\$4,410
24	June 13, 2013	\$5,596	June 13, 2013	MS	\$8,769	\$1,269
25	June 24, 2013	\$2,750	June 26, 2013	JPS	\$7,750	\$2,000
26	June 26, 2013	\$2,100	June 26, 2013	MS	\$4,100	\$800
27	June 27, 2013	\$0	June 28, 2013	MS	\$14,500	\$5,075
28	June 27, 2013	\$12,500	June 28, 2013	MS	\$14,500	\$700
29	July 9, 2013	\$750	July 10, 2013	CC	\$7,500	\$2,700

¹ This is the total amount of the gross commissions after they were increased by Le. This does not represent the difference between the original commission and the new gross commission.

30	July 19, 2013	\$500	July 22, 2013	GS	\$5,000	\$1,575
31	July 24, 2013	\$9,963	July 29, 2013	MS	\$23,583	\$4,767
32	July 30, 2013	\$65	July 30, 2013	MS	\$6,500	\$2,574
33	August 14, 2013	\$1,400	August 15, 2013	JPS	\$4,895	\$1,223
34	August 15, 2013	\$6,807	August 15, 2013	MS	\$8,807	\$700
35	August 15, 2013	\$875	August 15, 2013	MS	\$8,750	\$2,756
36	September 3, 2013	\$1,200	September 4, 2013	MS	\$12,000	\$3,780
37	September 6, 2013	\$700	September 6, 2013	MS	\$7,000	\$2,520
38	September 11, 2013	\$1,836	September 11, 2013	MS	\$4,836	\$1,050
39	September 18, 2013	\$0	September 18, 2013	MS	\$3,000	\$1,050
40	October 1, 2013	\$1,200	October 4, 2013	LA	\$4,200	\$1,050
41	October 8, 2013	\$0	October 10, 2013	GS	\$3,200	\$1,120
42	October 9, 2013	\$2,522	October 9, 2013	MS	\$3,750	\$430
43	October 10, 2013	\$2,948	October 10, 2013	JPS	\$4,926	\$692
44	October 15, 2013	\$1,500	October 16, 2013	MC	\$3,500	\$700
45	October 16, 2013	\$0	October 16, 2013	JPIM	\$2,750	\$963
46	October 16, 2013	\$0	October 16, 2013	MS	\$2,500	\$875
47	October 16, 2013	\$1,182	October 16, 2013	MS	\$3,182	\$700
48	October 22, 2013	\$575	October 22, 2013	JPS	\$5,750	\$1,811
49	October 29, 2013	\$1,558	October 29, 2013	MS	\$4,558	\$1,200
50	November 4, 2013	\$400	November 4, 2013	JPS	\$800	\$140

Exhibit B

List of Trades in which Anthony Le Altered the Ticket to Make Himself the RR

No	Date of Original Trade	Account Name	Date of Change to Registered Representative	Login ID used to make change to Registered Representative	Amount of Gross Commission	Payout to Le
1	May 15, 2013	EP	May 16, 2013	ALE26	\$3,750	\$1,500
2	June 5, 2013	OP	June 5, 2013	ALE26	\$2,125	\$850
3	June 11, 2013	OP	June 20, 2013	ALE26	\$625	\$250
4	June 18, 2013	CB	June 20, 2013	ALE26	\$5,000	\$1,750
5	June 25, 2013	AD	June 28, 2013	ALE26	\$3,125	\$1,250
6	July 1, 2013	EP	July 15, 2013	ALE26	\$637	\$255
7	July 2, 2013	OP	July 3, 2013	ALE26	\$194	\$76
8	July 8, 2013	CB	July 17, 2013	ALE26	\$6,000	\$2,100
9	July 18, 2013	KO	July 31, 2013	ALE26	\$3,028	\$1,212
10	July 23, 2013	KO	July 24, 2013	ALE26	\$8,760	\$3,066
11	August 8, 2013	UB	August 8, 2013	ALE26	\$1,425	\$499
12	September 12, 2013	SS	September 24, 2013	ALE26	\$10,500	\$3,675
13	September 19, 2013	PA	September 23, 2013	ALE26	\$3,250	\$1,300