

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

Department of Enforcement,

Complainant,

v.

Bernardo Misseri,
CRD No. 2713297,

Respondent.

Disciplinary Proceeding
No. 2015046005901

Hearing Officer - KBW

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: March 3, 2017

INTRODUCTION

Disciplinary Proceeding No. 2015046005901 was filed on January 31, 2017, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Bernardo Misseri submitted an Offer of Settlement (Offer) to Complainant dated February 24, 2017. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, as amended by the Offer of Settlement, 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, to the entry of findings and violations consistent with the allegations of the Complaint, as amended by the Offer of Settlement, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Respondent first became registered with FINRA in January 1998 as a General Securities Representative ("GSR"). From September 1997 through April 2006, Respondent was registered as a GSR through six other FINRA member firms. From September 2009 through December 2016, Respondent has been registered with FINRA as a GSR through an association with Legend Securities, Inc. ("Legend Securities").

Although Respondent 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 effective date of termination of Respondent's registration with Legend Securities, namely, December 2, 2016; and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

In April 2006, in *Department of Enforcement v. Bernardo Misseri*, Disciplinary Proceeding No. E102003213801, Respondent submitted an Offer of Settlement and consented to the entry of findings and violations that he failed to disclose private securities transactions and an outside business activity in violation of NASD Conduct Rules 2110, 3030 and 3040. Respondent also consented to a two-year all capacities suspension and a \$15,000 fine. In April 2006, the Offer of Settlement was accepted by the Office of Disciplinary Affairs.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

SUMMARY

1. From September 2009 through June 2015 (the “Relevant Period”), Bernardo Misseri (“Respondent”) willfully failed to timely disclose four unsatisfied federal tax liens, three unsatisfied state tax warrants and one compromise with a creditor, which totaled over \$335,000, on his Uniform Application for Securities Industry Registration or Transfer (“Form U4”). Respondent’s willful failure to disclose material facts on his Form U4 violated Article V, Section 2 of the FINRA By-Laws, FINRA Rules 1122 and 2010.

CAUSE OF ACTION

Willful Failure to Update Form U4 (Article V, Section 2 of FINRA By-Laws, FINRA Rules 1122 and 2010)

Failure to Timely Disclose Tax Liens

2. During the Relevant Period, Respondent failed to disclose four unsatisfied federal tax liens and three unsatisfied state tax warrants (collectively referred to as the “Tax Liens”) on his Form U4.
3. At all relevant times, Question 14M of the Form U4 asked, “Do you have any unsatisfied judgments or liens against you?”
4. If a registered representative affirmatively answers Question 14M on his Form U4, then he is required to provide detailed information about each unsatisfied judgment or lien, including the amount and filing date of the judgment or lien. The representative is required to make the disclosure within 30 days of learning of the facts that are required to be disclosed.

2008 NYS State Tax Warrant

5. On or about March 3, 2008, New York State Department of Taxation and Finance (“NYS Taxation Dep’t”) filed a state tax warrant against Respondent in the amount of \$37,321 (the “2008 State Tax Warrant”).
6. Respondent received notice of the 2008 State Tax Warrant at or about the time that it was filed.
7. The 2008 State Tax Warrant was first disclosed on Respondent’s Form U4 on March 28, 2014.
8. On September 8, 2009, Respondent completed a Form U4 to become associated with Legend Securities. Respondent did not disclose the 2008 State Tax Warrant on his Form U4.
9. Between September 9, 2009 and March 28, 2014, Respondent’s Form U4 was amended 25 times. The 2008 State Tax Warrant was not disclosed in any of those amendments.
10. The 2008 State Tax Warrant constitutes a material fact and Respondent’s failure to disclose it timely on his Form U4 was willful.

2010 Federal Tax Lien

11. On or about July 23, 2010, the IRS filed a federal tax lien against Respondent in the amount of \$217,156 (the “2010 Federal Tax Lien”).
12. Respondent received notice of the 2010 Federal Tax Lien at or about the time that it was filed.
13. The 2010 Federal Tax Lien was first disclosed on Respondent’s Form U4 on March 28, 2014.
14. The 2010 Federal Tax Lien constitutes a material fact and Respondent’s failure to timely disclose it on his Form U4 was willful.

2013 Federal Tax Lien

15. On or about December 3, 2013, the IRS filed a federal tax lien against Respondent in the amount of \$14,564 (the “2013 Federal Tax Lien”).
16. Respondent received notice of the 2013 Federal Tax Lien at or about the time that it was filed.
17. The 2013 Federal Tax Lien was first disclosed on Respondent’s Form U4 on March 28, 2014.
18. The 2013 Federal Tax Lien constitutes a material fact and Respondent’s failure to timely disclose it on his Form U4 was willful.

2014 NYS State Tax Warrant

19. On or about June 16, 2014, the NYS Taxation Dep’t filed a state tax warrant against Respondent in the amount of \$11,884 (the “2014 State Tax Warrant”).
20. Respondent received notice of the 2014 State Tax Warrant at or about the time that it was filed.
21. The 2014 State Tax Warrant was first disclosed on Respondent’s Form U4 on June 19, 2015.
22. The 2014 State Tax Warrant constitutes a material fact and Respondent’s failure to disclose it timely on his Form U4 was willful.

2014 Federal Tax Lien

23. On or about October 30, 2014, the IRS filed a federal tax lien against Respondent in the amount of \$37,847 (the “2014 Federal Tax Lien”).
24. Respondent received notice of the 2014 Federal Tax Lien at or about the time that it was filed.

- 25. The 2014 Federal Tax Lien was first disclosed on Respondent's Form U4 on June 19, 2015.
- 26. The 2014 Federal Tax Lien constitutes a material fact and Respondent's failure to timely disclose it on his Form U4 was willful.

2015 Federal Tax Lien

- 27. On or about January 23, 2015, the IRS filed a federal tax lien against Respondent in the amount of \$7,662 (the "2015 Federal Tax Lien").
- 28. Respondent received notice of the 2015 Federal Tax Lien at or about the time that it was filed.
- 29. The 2015 Federal Tax Lien was first disclosed on Respondent's Form U4 on June 19, 2015.
- 30. The 2015 Federal Tax Lien constitutes a material fact and Respondent's failure to timely disclose it on his Form U4 was willful.

2015 NYS State Tax Warrant

- 31. On or about March 30, 2015, the NYS Taxation Dep't filed a state tax warrant against Respondent in the amount of \$6,746 (the "2015 State Tax Warrant").
- 32. Respondent received notice of the 2015 State Tax Warrant at or about the time that it was filed.
- 33. The 2015 State Tax Warrant was first disclosed on Respondent's Form U4 on June 19, 2015.
- 34. The 2015 State Tax Warrant constitutes a material fact and Respondent's failure to timely disclose it on his Form U4 was willful.

Failure to Timely Disclose Compromise with a Creditor

- 35. During the Relevant Period, Respondent failed to timely disclose one compromise with a creditor on his Form U4.

36. At all relevant times, Question 14K(1) of the Form U4 asked, “Within the past 10 years have you made a compromise with creditors, filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition?”
37. If a registered representative affirmatively answers Question 14K on his Form U4, then he is required to provide detailed information about each compromise, including the creditor’s name, original amount owed and terms reached with the creditor. The representative is required to make the disclosure within 30 days of learning of the facts that are required to be disclosed.
38. On or about May 26, 2010, Respondent settled a debt of \$3,314 that he owed to LVNV Funding for \$2,200.00 (“LVNV Compromise”).
39. The LVNV Compromise was first disclosed as a lien on Respondent’s Form U4 on March 28, 2014.
40. The LVNV Compromise constitutes a material fact and Respondent’s failure to disclose it on his Form U4 was willful.
41. Article V, Section 2(c) of the FINRA By-Laws requires that associated persons keep their Forms U4 “current at all times by supplementary amendments . . . not later than 30 days after learning of the facts or circumstances giving rise to the amendment.” 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.” FINRA Rule 2010 provides that “[a] member, in the conduct of [his] business, shall observe high standards of commercial honor and just and equitable principles of trade.” Failing to file prompt, accurate amendments to a Form U4 thus

violates Article V, Section 2(c) of the FINRA By-Laws, FINRA Rule 1122 and FINRA Rule 2010.

42. Respondent failed to timely update his Form U4 to disclose the 2008 State Tax Warrant, the 2010 Federal Tax Lien, and the 2013 Federal Tax Lien, and the LVNV Compromise, despite having learned of all three liens at or about the time that each lien was filed and the compromise with a creditor no later than the date on which he entered it, all more than 30 days before disclosing those four events on his March 28, 2014, Form U4.
43. Respondent failed to timely update his Form U4 to disclose the 2014 State Tax Warrant, the 2014 Federal Tax Lien, the 2015 Federal Tax Lien, and the 2015 State Tax Warrant, despite having learned of all four liens at or about the time that each was filed, all more than 30 days before disclosing those four events on his June 19, 2015, Form U4.
44. The Tax Liens and the LVNV Compromise all constituted material facts for purposes of Form U4 disclosures and Respondent's failures to timely disclose them on his Form U4 are willful.
45. Based on the foregoing, Respondent willfully violated Article V, Section 2(c) of the FINRA By-Laws and FINRA Rules 1122 and 2010.

Based on the foregoing, Respondent willfully violated Article V, Section 2(c) of the FINRA By-Laws and FINRA Rules 1122 and 2010.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

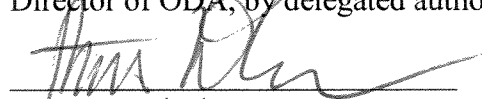
It is ordered that Respondent be suspended for three months from association with any FINRA member in any capacity and pay a \$5,000 fine. The fine shall be due and payable either immediately upon re-association with a member firm, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

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

SO ORDERED.

FINRA

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



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