

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

Department of Enforcement,

Complainant,

v.

Bryan G. Mazliach (CRD No. 5518438),

Respondent.

Disciplinary Proceeding
No. 2016051583101

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. From February 2015 through July 2017 (the “Relevant Period”), Respondent Bryan G. Mazliach, while associated with FINRA member firm, Laidlaw & Company (UK) LTD (CRD No. 119037), excessively and unsuitably traded five customers’ accounts by recommending and executing in their accounts a high-cost, in-and-out trading strategy. The recommended investment strategy lost customers over \$170,000, while generating commissions and fees for Laidlaw and Mazliach of more than \$187,000.

2. During the Relevant Period, Mazliach effected 450 trades—hundreds of which were unauthorized—in these five customers’ accounts. Mazliach’s trading resulted in annualized cost-to-equity ratios ranging from 37% to 218% and annualized turnover rates ranging from 12

to 50. These trades, when taken together, were excessive and quantitatively unsuitable for the customers based upon their investment profiles.

3. Mazliach also failed to have a reasonable basis to believe that his recommended investment strategy was suitable for anyone. He failed to perform reasonable diligence to understand the potential risks associated with the investment strategy that he was recommending, namely how the costs associated with an in-and-out trading strategy would impact the ability of the accounts to turn a profit. Mazliach did not calculate or track the costs associated with his trading strategy, much less consider the cumulative impact the commissions and fees associated with his strategy would have on his customers' ability to earn a profit.

4. Mazliach compounded his misconduct by engaging in unauthorized trading in his customers' accounts. In total, he placed 420 unauthorized trades in ten accounts—seven of which were also excessively traded.

5. In addition, during FINRA's investigation into Mazliach's trading activity, Mazliach failed to respond to FINRA's requests for documents and information made pursuant to FINRA Rule 8210.

6. As a result of the foregoing, Mazliach violated FINRA Rules 2111 and 2010 (Unsuitable Trading—Quantitative and Reasonable Basis); FINRA Rule 2010 (Unauthorized Trading); and FINRA Rules 8210 and 2010 (Failure to Cooperate).

RESPONDENT AND JURISDICTION

7. In May 2008, Mazliach became registered with FINRA as a General Securities Representative (GSR) through an association with a member firm. Mazliach was registered as a GSR with two other FINRA member firms before joining Laidlaw.

8. On January 30, 2015, Mazliach registered as a GSR through his association with Laidlaw. By Uniform Termination Notice for Securities Industry Registration (Form U5) dated September 20, 2017, Laidlaw disclosed that it terminated Mazliach's registration with the Firm based on Mazliach's voluntary resignation.

9. On August 30, 2017, Mazliach became registered as a GSR through his association with another FINRA member firm. On December 12, 2018, that firm filed a Form U5 terminating Mazliach's registration based on Mazliach's voluntary resignation.

10. Mazliach has not been associated with any FINRA member since December 12, 2018.

11. Although Mazliach 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 December 12, 2018, which was the effective date of termination of Mazliach's registration with a FINRA member, and (2) the Complaint charges Mazliach with misconduct committed while he was registered or associated with a FINRA member and with failing to respond to FINRA requests for information during the two-year period after the date on which he ceased to be registered or associated with a FINRA member.

FACTS

Mazliach Excessively Traded Eight Customer Accounts

12. During the Relevant Period, Mazliach executed the same active in-and-out trading strategy in seven accounts held by customers A, B, C, D, and E (collectively, the "Customers"). Mazliach's strategy consisted of recommending and effecting in-and-out trading where he purchased equities and then generally sold the entire equities position within a short period.

13. As part of his recommended strategy, Mazliach generally charged commissions between 2% and 2.5% on purchases and 1% or less on sales. Mazliach generally did not discuss the commissions and fees that he charged as part of his investment strategy with the Customers.

14. Mazliach did not keep track of the costs associated with the trades he recommended to the Customers as part of his strategy. As a result, Mazliach traded the Customers' accounts without regard to the costs of his trading, and he did not consider how the costs associated with his trading strategy affected the performance of the Customers' accounts.

15. Mazliach did not understand what cost-to-equity ratios and turnover measured. As a result, he failed to calculate and consider these metrics when he was trading the Customers' accounts.

16. Mazliach's trading in the Customers' accounts led to high annualized cost-to-equity ratios and turnover rates. During the Relevant Period, the Customers' accounts suffered significant losses as follows:

Customer	Trade Period	No. of Trades	Realized Losses	Gross Commissions Paid to Laidlaw	Annualized Cost-to-Equity Ratio	Annualized Turnover Rate
A (IRA)	2/2015-5/2016	96	(\$55,262)	\$55,560	63.54%	18.85
A	5/2015-5/2016	83	(\$21,486)	\$9,072	218.78%	49.7
B	4/2015-4/2016	47	(\$46,114)	\$29,764	63.53%	20.73
B (IRA)	8/2015-3/2016	37	(\$7,854)	\$27,513	37.02%	12.55
C	4/2015-6/2017	63	(\$15,174)	\$13,957	133.07%	31.51
D	5/2015-1/2016	60	(\$21,805)	\$33,815	78.91%	26.2
E	1/2016-8/2016	64	(\$3,900)	\$17,845	173.53%	50.48
Totals		450	(\$171,595)	\$187,526		

17. From January 2015 until December 2016, Mazliach received approximately 70% of the commissions generated from his trades. From December 2016 to April 2017, Mazliach received approximately 60% of commissions generated from his trades, and from April 2017 until September 2017, Mazliach received 50% of commissions generated from his trades.

18. During the Relevant Period, Mazliach received approximately \$130,023 of the \$187,526 the Customers paid to Laidlaw in commissions. Mazliach's payout from the Customers represented approximately 40% of his total payout during the Relevant Period.

Customer A

19. In February 2015, Customer A opened an IRA account with Mazliach at Laidlaw and, in May 2015, Customer A opened a separate brokerage account with Mazliach at Laidlaw.

20. After collecting certain information, Mazliach worked with a sales assistant to send Customer A prepopulated new account forms for Customer A's signature.

21. Customer A resides in California and owns a contracting business. Customer A's new account documents listed his annual income as \$100,000, his liquid net worth as \$100,000, and his total net worth as \$1 million.

22. Customer A was 62 years old when he opened his accounts with Mazliach.

23. Although Customer A's investment objective was marked as speculation on his new account forms and his risk tolerance was marked as high, Customer A told Mazliach his actual risk tolerance was generally moderate. Customer A informed Mazliach that he wanted to invest in blue chip stocks.

24. Regarding his IRA account, Customer A told Mazliach that he wanted 75% of the account to be invested conservatively and the remaining 25% to be invested aggressively.

25. From February 2015 through May 2016, Mazliach effected 96 trades in Customer A's IRA account, which had an average monthly account balance of approximately \$70,951. During this period, Mazliach's gross purchases for this account totaled approximately \$1,783,628.

26. Also, between May 2015 and January 2016, Mazliach effected 83 trades in Customer A's brokerage account, which had an average monthly account balance of approximately \$8,114. During this period, Mazliach's gross purchases for the brokerage account totaled approximately \$302,496.

27. Mazliach made the trading decisions in Customer A's accounts, including which securities to trade, the volume, and the timing of when to buy or sell.

28. Customer A relied on Mazliach to make securities recommendations and consistently followed his recommendations.

29. Mazliach also effected unauthorized trades in Customer A's accounts. Mazliach effected 76 trades in Customer A's IRA account without Customer A's prior knowledge or authorization. Mazliach effected 80 trades in Customer A's brokerage account without Customer A's prior knowledge or authorization. (These trades are listed in Appendix A to the Complaint.)

30. During the Relevant Period, Mazliach's trading generated total commissions of approximately \$55,560 in Customer A's IRA account and approximately \$9,072 in Customer A's brokerage account.

31. The trading in Customer A's IRA account resulted in an annualized turnover rate of 18.85 and an annualized cost-to-equity ratio of 63.54%, while the trading in Customer A's brokerage account resulted in an annualized turnover rate of 49.7 and an annualized cost-to-equity ratio of 218.78%.

32. Mazliach's trading resulted in losses of approximately \$55,262 in Customer A's IRA account and approximately \$21,486 in his brokerage account.

33. Customer A ultimately closed his accounts with Mazliach as a result of the losses suffered.

Customer B

34. Customer B opened a brokerage account with Mazliach at Laidlaw in February 2015 and subsequently opened an IRA account with Mazliach in July 2015.

35. After collecting certain information, Mazliach worked with a sales assistant to send Customer B prepopulated new account forms for Customer B's signature.

36. Customer B resides in New York and is a country music manager who manages music artists. Customer B's new account documents listed his annual income as \$250,000, his liquid net worth as \$2 million, and his total net worth as \$4 million.

37. Customer B was 67 years old when he opened his accounts with Mazliach.

38. Although Customer B's investment objective was marked as speculation on his new account form and his risk tolerance was marked as high, these were inaccurate as Customer B told Mazliach his investment objective was to attain long-term growth and his risk tolerance was moderate.

39. From April 2015 to April 2016, Mazliach effected 47 trades in Customer B's brokerage account. During this period, Customer B's brokerage account had an average monthly equity of approximately \$51,275 and gross purchases totaling approximately \$1,151,737.

40. From August 2015 to March 2016, Mazliach effected 37 trades in Customer B's IRA account. During this period, Customer B's IRA account had an average monthly equity of approximately \$118,823 and gross purchases totaling approximately \$994,034.

41. Mazliach made the trading decisions in Customer B's accounts, including which securities to buy and sell, the volume, and the timing of when to buy or sell.

42. Customer B relied on Mazliach to make securities recommendations and consistently followed his recommendations concerning the volume and timing of purchases.

43. Mazliach also effected unauthorized trades in Customer B's accounts. Mazliach effected 38 trades in Customer B's brokerage account without his prior knowledge or authorization. Mazliach effected 30 trades in Customer B's IRA account without his prior knowledge or authorization. (These trades are listed in Appendix A to the Complaint.)

44. Mazliach's trading in Customer B's accounts generated approximately \$29,764 in commissions in the brokerage account and approximately \$27,513 in commissions in the IRA account.

45. The trading in Customer B's brokerage account resulted in an annualized turnover rate of 20.73 and an annualized cost-to-equity ratio of 63.53%, while the trading in Customer B's IRA account resulted in an annualized turnover rate of 12.55 and annualized cost-to-equity ratio of 37.02%.

46. The trading in Customer B's accounts resulted in losses of approximately \$46,114 in the brokerage account and losses of approximately \$7,854 in the IRA account.

47. Customer B closed his accounts in March and April 2016 because of Mazliach's unauthorized trading.

Customer C

48. In April 2015, Customer C opened a brokerage account with Mazliach at Laidlaw.

49. After collecting certain information, Mazliach worked with a sales assistant to send Customer C a prepopulated new account form for Customer C's signature.

50. Customer C resides in Kentucky and works as a drilling supervisor. Customer C's new account documents listed his annual income as \$500,000, his liquid net worth as \$500,000, and his total net worth as \$4 million.

51. Customer C was 70 years old when he opened his account with Mazliach.

52. Customer C's investment objective on his new account form was marked as speculation and his risk tolerance was marked as high.

53. Between April 2015 and June 2017, Mazliach effected 63 trades in Customer C's account, which had an average monthly account balance of approximately \$5,948. During this period, Mazliach's gross purchases for this account totaled approximately \$437,259.

54. Mazliach made the trading decisions in Customer C's account, including which securities to trade, the volume, and the timing of when to buy or sell.

55. Customer C relied on Mazliach to make securities recommendations and consistently followed his recommendations.

56. Mazliach made unauthorized trades in Customer C's account. Between April 2015 and June 2017, Mazliach effected 56 trades without Customer C's prior knowledge and authorization. (These trades are listed in Appendix A to the Complaint.)

57. Mazliach's trading in Customer C's account generated commissions totaling approximately \$13,957.

58. The trading in Customer C's account resulted in an annualized turnover rate of 31.51 and annualized cost-to-equity ratio of 133.07%.

59. The trading in Customer C's account resulted in losses totaling approximately \$15,174.

60. Customer C ultimately closed his account with Mazliach.

Customer D

61. In June 2015, Customer D opened a brokerage account with Mazliach at Laidlaw.
62. After collecting certain information, Mazliach worked with a sales assistant to send Customer D prepopulated new account forms for Customer D's signature.
63. Customer D resides in Florida and at the time he opened the account, he was a chief executive officer of an industrial supplies distributor.
64. Customer D's new account documents listed his annual income as \$275,000, his liquid net worth as \$1 million, and his total net worth as \$3 million.
65. Customer D was 77 years old when he opened his accounts with Mazliach.
66. Although Customer D's investment objective was marked as speculation on his new account forms and his risk tolerance was marked as high, neither designation was accurate as he sought to attain a balance between short term and long-term growth.
67. Mazliach made the trading decisions in Customer D's account, including which securities to trade, the volume, and the timing of when to buy or sell.
68. Customer D relied on Mazliach to make securities recommendations and consistently followed his recommendations.
69. Between June 2015 and January 2016, Mazliach effected 60 trades in Customer D's account, which had an average monthly account balance of approximately \$74,875 and gross purchases totaling approximately \$1,307,689.
70. Mazliach effected unauthorized trades in Customer D's account. During the Relevant Period, Mazliach effected 43 trades without Customer D's prior knowledge or authorization. (These trades are listed in Appendix A.)

71. Mazliach's trading in Customer D's account generated commissions totaling approximately \$33,815.

72. The trading in Customer D's account resulted in an annualized turnover rate of 26.2 and an annualized cost-to-equity ratio of 78.91%. Mazliach's trading in Customer D's account resulted in losses totaling approximately \$21,805.

73. Customer D closed his account with Mazliach due to the account's poor performance.

Customer E

74. In January 2016, Customer E opened a brokerage account with Mazliach at Laidlaw.

75. After collecting certain information, Mazliach worked with a sales assistant to send Customer E a prepopulated new account form for his signature.

76. Customer E resides in Connecticut and owns a contracting company. Customer E's new account documents listed his annual income as \$250,000, his liquid net worth as \$150,000, and his total net worth as \$1.5 million.

77. Customer E was 41 years old when he opened his account with Mazliach.

78. Although Customer E's investment objective was marked as speculation on his new account form and his risk tolerance was marked as high, Customer E told Mazliach he had a moderate risk tolerance.

79. Between January 2016 and August 2016, Mazliach effected 64 trades in Customer E's account, which had an average monthly account balance of approximately \$18,562. During this period, Mazliach's gross purchases for this account totaled approximately \$624,669.

80. Mazliach generally made all trading decisions in Customer E's account, including which securities to buy and sell, the volume, and the timing of when to buy and sell.

81. Customer E relied on Mazliach to make securities recommendations and generally followed his recommendations.

82. Mazliach also effected unauthorized trades in Customer E's account. Between January 2016 and August 2016, Mazliach effected 40 trades without Customer E's prior knowledge or authorization. (These trades are listed in Appendix A to the Complaint.)

83. Mazliach's trading in Customer E's account generated commissions totaling approximately \$17,845.

84. The trading in Customer E's account resulted in an annualized turnover rate of 50.48 and an annualized cost-to-equity ratio of 173.53%.

85. The trading in Customer E's account resulted in losses totaling approximately \$3,900.

86. In August 2016, Customer E closed his account with Mazliach due to high commissions and account losses.

Mazliach Engaged in Unauthorized Trading

87. As described above, Mazliach effected unauthorized trades in the accounts of Customers A, B, C, D and E. In addition, Mazliach effected dozens of unauthorized trades in the accounts of other customers.

Customer F

88. In August 2015, Customer F opened an account with Mazliach at Laidlaw.

89. Customer F resides in Texas and works as a farmer.

90. Between May 4, 2016 and May 16, 2016, Mazliach effected nine trades in Customer F's account without Customer F's prior knowledge or authorization. (These trades are listed in Appendix A to the Complaint.)

Customer G

91. In January 2016, Customer G opened an account with Mazliach at Laidlaw.

92. Customer G resides in Florida and owns a data consultancy business.

93. Between January 2016 and May 2017, Mazliach effected 28 trades in Customer G's account without Customer G's prior knowledge or authorization. (These trades are listed in Appendix A to the Complaint.)

Customer H

94. In February 2015, Customer H opened an account with Mazliach at Laidlaw.

95. Customer H resides in Illinois and owns a retail store.

96. Between February 2015 and June 2015, Mazliach effected 20 trades in Customer H's account without Customer H's prior knowledge or authorization. (These trades are listed in Appendix A to the Complaint.)

Mazliach Failed to Fully Cooperate with Enforcement's Investigation

97. On June 22, 2020, Enforcement issued a request pursuant to FINRA Rule 8210 to Mazliach for documents and information, specifically cellular telephone records for any telephone calls Mazliach made to customers A-H during the Relevant Period (the "June 22, 2020 Request").

98. Enforcement sent the June 22, 2020 Request to Mazliach's address identified in the Central Registry Depository ("CRD Address") through certified mail, first class mail as well as to two email accounts Mazliach identified as his personal email accounts.

99. Mazliach was required to respond to the June 22, 2020 Request by July 13, 2020.

100. Electronic mail tracking from the United States Postal Service confirms that the June 22, 2020 Request was delivered by certified mail to Mazliach's CRD Address on July 1, 2020. Similarly, the first-class mail and emails were delivered, because none were returned as undeliverable.

101. Mazliach did not produce any documents or information in response to the June 22, 2020 Request.

102. On July 16, 2020, Enforcement issued a second request pursuant to FINRA Rule 8210 to Mazliach requesting the same cellular telephone records sought in the June 22, 2020 Request (the "July 16, 2020 Request").

103. Enforcement sent the July 16, 2020 Request to Mazliach's CRD Address through certified mail, first class mail as well as to two email accounts Mazliach identified as his personal email accounts.

104. Mazliach was required to respond to the July 16, 2020 Request by August 6, 2020.

105. Electronic mail tracking from the United States Postal Service confirms that the July 16, 2020 Request was delivered by certified mail to Mazliach's CRD Address on July 21, 2020. Similarly, the first-class mail and emails were delivered, because none were returned as undeliverable.

106. Mazliach did not produce any documents or information in response to the July 16, 2020 Request.

FIRST CAUSE OF ACTION
Excessive Trading (Quantitative Unsuitable Trading)
(Violation of FINRA Rules 2111 and 2010)

107. Enforcement realleges and incorporates by reference paragraphs 1-106.

108. FINRA Rule 2111 requires that an associated person have a reasonable basis to believe that a recommended transaction or investment strategy is suitable for the customer, based upon information obtained through reasonable diligence of the associated person to ascertain the customer's investment profile.

109. One of the three main components of FINRA Rule 2111 is quantitative suitability, which requires an associated person "who has actual or *de facto* control over a customer account to have a reasonable basis for believing that a series of recommended trades, even if suitable when viewed in isolation, are not excessive and unsuitable for the customer when taken together in light of the customer's investment profile."

110. As explained in Rule 2111, Supplementary Material 2111.05(c), "[n]o single test defines excessive activity, but factors such as the turnover rate, the cost-equity ratio, and the use of in-and-out trading in a customer's account may provide a basis for a finding that a member or associated person has violated the quantitative suitability obligation."

111. FINRA Rule 2010 requires FINRA member firms and associated persons to "observe high standards of commercial honor and just and equitable principles of trade." A violation of FINRA Rule 2111 also constitutes a violation of FINRA 2010.

112. During the Relevant Period, Mazliach exercised *de facto* control over the trading in the Customers' accounts. Mazliach controlled the trading in these accounts by deciding what securities to buy and sell, the quantities, the price, and when trades would occur. Mazliach also exercised control over the Customers' accounts when he effected unauthorized trades.

113. Mazliach's in-and-out trading in the Customers' accounts was excessive and quantitatively unsuitable for these customers based upon their investment profiles.

114. The trading in the Customers' accounts also was excessive when measured against the annualized turnover rates and annualized cost-to-equity ratios in these accounts. A turnover rate of six or a cost-to-equity ratio in excess of 20% generally indicates that excessive trading has occurred.

115. Mazliach's trading in the Customers' accounts during the Relevant Period resulted in annualized turnover rates between 12.55 and 50.48 and annualized cost-to-equity ratios between 37.02% and 218.78%.

116. In excessively trading the Customers' accounts, Mazliach maximized his own financial benefit at the expense of the Customers, generating commissions of more than \$187,000 and causing customer losses of over \$170,000.

117. As a result of the foregoing conduct, Mazliach violated FINRA Rules 2111 and 2010.

SECOND CAUSE OF ACTION
Unsuitable Investment Strategy / Reasonable Basis Suitability
(Violation of FINRA Rules 2111 and 2010)

118. Enforcement realleges and incorporates by reference paragraphs 1-117.

119. FINRA Rule 2111 requires that a broker-dealer or associated person "have a reasonable basis to believe that a recommended transaction or investment strategy involving security or securities is suitable for the customer, based on the information obtained through the reasonable diligence of the [firm] or associated person to ascertain the customer's investment profile."

120. As explained in Rule 2111, Supplementary Material 2111.05:

The reasonable-basis obligation requires a member or associated person to have a reasonable basis to believe, based on reasonable diligence, that the recommendation is suitable for at least some investors. In general, what constitutes reasonable diligence will vary depending on, among other things, the complexity of and risks associated with the security or investment strategy and the member's or associated person's familiarity with the security or investment strategy. A member's or associated person's reasonable diligence must provide the member or associated person with an understanding of the potential risks and rewards associated with the recommended security or strategy. The lack of such an understanding when recommending a security or strategy violates the suitability rule.

121. Rule 2111, Supplementary Material 2111.03 explains that the phrase “investment strategy involving a security or securities should be interpreted broadly.”

122. Mazliach recommended that the Customers engage in an in-and-out trading strategy during the Relevant Period.

123. Mazliach did not have a reasonable basis to recommend this trading strategy to the Customers.

124. Mazliach failed to perform reasonable diligence to understand the costs of his overall strategy, such as the commissions generated by his trading and the cumulative impact these costs had on the performance of the Customers' accounts.

125. Mazliach also did not understand what cost-to-equity ratios and turnover rates were and therefore failed to consider and calculate these metrics when recommending and executing an in-and-out investment strategy in the Customers' accounts.

126. As a result of the foregoing conduct, Mazliach violated FINRA Rules 2111 and 2010.

THIRD CAUSE OF ACTION
Unauthorized Trading
(Violation of FINRA Rule 2010)

127. Enforcement realleges and incorporates by reference paragraphs 1-126.

128. Unauthorized trading occurs when a registered representative effects trades in a customer's account without first obtaining the customer's authorization or consent.

129. Unauthorized trading is a breach of the duty to observe high standards of commercial honor and just and equitable principles of trade and, thus, a violation of FINRA Rule 2010.

130. Mazliach effected 420 trades in the accounts of Customers A-H during the Relevant Period without first obtaining authorization for the trades from these customers. (Mazliach's unauthorized trades are detailed in Appendix A to the Complaint, a copy of which is annexed hereto and incorporated herein by reference.)

131. As a result of the foregoing conduct, Mazliach violated FINRA Rule 2010.

FOURTH CAUSE OF ACTION
Failure to Provide Documents and Information to FINRA
(Violation of FINRA Rules 8210 and 2010)

132. Enforcement realleges and incorporates by reference paragraphs 1-131.

133. FINRA Rule 8210(a) requires a "person associated with a member, or any other person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically . . . with respect to any matter involved in [an] investigation."

134. FINRA Rule 8210(c) similarly provides that "[n]o member or person shall fail to provide information or testimony . . . pursuant to this Rule."

135. A failure to comply with a request for information pursuant to FINRA Rule 8210 is also a violation of FINRA Rule 2010.

136. While subject to FINRA's jurisdiction, Mazliach failed to provide a response to Enforcement's Rule 8210 requests issued on June 22, 2020 and July 16, 2020.

137. Enforcement's June 22, 2020 and July 16, 2020 requests sought information that was material to FINRA's investigation.

138. As a result of the foregoing conduct, Mazliach violated FINRA Rules 8210 and 2010.

RELIEF REQUESTED

WHEREFORE, Enforcement respectfully requests that the Panel:

- A. Make findings of fact and conclusions of law that Mazliach committed the violations charged and alleged herein;
- B. Order that one or more of the sanctions provided under FINRA Rule 8310(a) be imposed, including that Mazliach be required to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest; and
- C. Order that Mazliach 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: September 8, 2020



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APPENDIX

A

Unauthorized Trades in Customer A's Brokerage Account

Trade Date	Action	Symbol	Principal Amt.	Com m.
20150513	P	DIS	\$ 15,663.20	373.8
20150513	P	TASR	\$ 15,423.70	373.8
20150521	S	WMB	\$ 1,013.27	0
20150521	S	WMT	\$ 380.95	0
20150521	S	VZ	\$ 848.64	0
20150521	S	OKE	\$ 775.88	0
20150521	S	OHI	\$ 653.94	0
20150521	S	NSC	\$ 681.03	0
20150521	S	MCD	\$ 596.28	0
20150521	S	LO	\$ 788.48	0
20150521	S	LMT	\$ 578.73	0
20150521	S	KMB	\$ 446.92	0
20150521	S	JNJ	\$ 719.04	0
20150521	S	JPM	\$ 595.53	0
20150521	S	GSK	\$ 682.35	0
20150521	S	GE	\$ 830.10	0
20150521	S	EXR	\$ 640.62	0
20150521	S	DOW	\$ 461.79	0
20150521	S	COP	\$ 458.64	0
20150521	S	BAX	\$ 405.00	0
20150521	S	MO	\$ 770.70	0
20150521	S	AVA	\$ 548.93	0
20150521	S	T	\$ 764.94	0
20150521	S	ABBV	\$ 719.18	0
20150521	S	WBA	\$ 515.76	0
20150521	S	VIAB	\$ 464.03	0
20150521	S	QCOM	\$ 633.51	0
20150521	S	MSFT	\$ 660.10	0
20150521	S	MHLD	\$ 666.72	0
20150521	S	HAS	\$ 651.51	0
20150521	S	CSCO	\$ 593.00	0
20150521	S	AAPL	\$ 914.69	0
20150521	S	AMGN	\$ 653.84	0
20150522	S	KMI	\$ 850.80	100
20150527	P	EIG	\$ 19,329.75	300

Unauthorized Trades in Customer A's Brokerage Account

Trade Date	Action	Symbol	Principal Amt.	Com m.
20150527	P	BRCM	\$ 19,432.80	500
20150527	P	TASR	\$ 15,423.70	373.8
20150527	P	DIS	\$ 15,663.20	373.8
20150527	S	DIS	\$ 551.70	100
20150527	S	DIS	\$ 15,451.80	100
20150527	S	BRCM	\$ 20,574.00	100
20150527	S	DIS	\$ 15,663.20	-373.8
20150527	S	TASR	\$ 15,423.70	-373.8
20150528	P	DIS	\$ 551.70	-100
20150528	P	DIS	\$ 15,451.80	-100
20150528	S	DIS	\$ 551.70	100
20150528	S	DIS	\$ 15,451.80	100
20150602	P	ASNA	\$ 23,388.74	600
20150602	S	EIG	\$ 18,785.25	100
20150603	P	CPE	\$ 23,796.61	600
20150603	S	ASNA	\$ 24,549.76	75
20150610	P	ATW	\$ 23,993.20	600
20150610	S	CPE	\$ 25,012.83	100
20150618	P	ALK	\$ 15,753.61	400
20150618	S	TASR	\$ 15,908.75	100
20150709	P	GAIN	\$ 16,099.80	400
20150709	S	ALK	\$ 16,487.47	100
20150821	P	YANG	\$ 10,823.34	275
20150821	S	GAIN	\$ 15,100.00	100
20150826	P	ATW	\$ 11,550.00	200
20150826	S	YANG	\$ 12,461.16	200
20150930	P	FCX	\$ 5,003.25	100
20150930	S	ATW	\$ 16,127.90	403.2
20151001	P	ATW	\$ 16,127.90	-403.2
20151001	S	ATW	\$ 16,127.90	100
20151002	P	VDSI	\$ 10,005.36	250
20151002	S	FCX	\$ 5,370.75	75
20151006	P	JNPR	\$ 14,245.00	300
20151006	S	VDSI	\$ 10,587.92	100
20151008	P	JOY	\$ 17,067.65	400

Unauthorized Trades in Customer A's Brokerage Account

Trade Date	Action	Symbol	Principal Amt.	Comm.
20151008	P	SLCA	\$ 16,480.00	400
20151008	S	SLCA	\$ 17,300.00	100
20151008	S	JNPR	\$ 14,875.00	100
20151014	S	JOY	\$ 867.51	50
20151019	S	JOY	\$ 4,405.92	0
20151111	S	ANFI	\$ 14,130.00	250
20151113	P	IDTI	\$ 13,035.60	300
20151118	P	FCX	\$ 13,737.60	300
20151118	S	IDTI	\$ 13,892.40	100
20160113	S	FCX	\$ 6,075.00	0

Unauthorized Trades in Customer A's IRA Account

Trade Date	Action	Symbol	Principal Amt.	Comm.
20150212	P	IDTI	\$32,974.44	950
20150212	P	CNQ	\$33,944.89	950
20150212	P	PCP	\$32,844.80	950
20150212	S	QRVO	\$53,652.60	1500
20150212	S	ACHN	\$54,997.50	1374.9
20150223	P	ONDK	\$ 36,058.21	900
20150223	S	PCP	\$34,300.98	100
20150224	P	FWM	\$36,783.00	900
20150224	S	ONDK	\$37,750.59	100
20150402	S	KING	\$20,075.72	300
20150407	S	CNQ	\$ 35,784.71	250
20150408	P	IDTI	\$ 18,953.20	490
20150410	P	CPE	\$34,035.80	875
20150416	P	HABT	\$ 19,092.00	-250
20150416	S	HABT	\$ 19,092.00	100
20150417	P	NOV	\$27,365.00	700
20150417	P	IDTI	\$26,630.87	670
20150513	S	IDTI	\$ 41,920.20	700
20150514	S	IDTI	\$ 41,151.19	800
20150519	P	CRUS	\$37,339.90	900
20150519	P	AMBA	\$42,050.00	1000
20150527	S	AMBA	\$44,785.00	400
20150601	P	SWKS	\$ 44,144.00	1100
20150826	P	YANG	\$32,247.50	800
20150826	S	SWKS	\$34,080.00	100
20150902	P	MU	\$ 31,780.00	800
20150902	S	YANG	\$ 34,130.00	100
20150908	P	JBLU	\$ 35,813.80	900
20150908	S	MU	\$34,800.00	200
20150910	P	VLO	\$ 29,981.44	750
20150910	S	CRUS	\$30,570.00	100
20150915	P	VLO	\$36,959.90	900
20150915	S	JBLU	\$38,368.80	200
20150930	P	FCX	\$63,534.35	1600
20150930	S	VLO	\$ 65,515.10	200
20151001	P	VLO	\$ 65,515.10	-200

Unauthorized Trades in Customer A's IRA Account

Trade Date	Action	Symbol	Principal Amt.	Comm.
20151001	S	VLO	\$ 65,515.10	100
20151002	P	JBLU	\$82,558.80	2000
20151002	S	NOV	\$ 18,260.00	100
20151002	S	FCX	\$66,482.50	75
20151005	P	CEL	\$40,047.78	1000
20151005	P	ANFI	\$42,225.96	1000
20151005	S	JBLU	\$85,764.50	76
20151012	P	TSN	\$42,964.32	1000
20151012	S	CEL	\$43,845.52	100
20151027	S	TSN	\$ 15,082.40	100
20151109	P	SLCA	\$ 55,019.60	1300
20151109	S	SHAK	\$56,260.59	100
20151117	S	SLCA	\$ 190.50	50
20151118	S	SLCA	\$ 100.40	0
20151201	S	SLCA	\$57,248.00	100
20151204	P	NVDA	\$55,479.80	1400
20151211	S	NVDA	\$ 54,215.60	100
20151216	P	NFLX	\$ 51,984.28	1300
20160108	S	NFLX	\$49,922.00	100
20160113	P	YANG	\$ 48,188.00	1250
20160120	S	YANG	\$ 56,861.00	1400
20160125	P	JBLU	\$54,575.00	1400
20160210	S	JBLU	\$50,869.46	100
20160212	P	NEM	\$49,804.80	1200
20160226	P	VDSI	\$49,802.93	1198.8
20160226	S	NEM	\$49,825.92	96
20160301	P	ATW	\$46,684.50	1085.4
20160301	S	VDSI	\$47,253.26	100
20160302	S	ATW	\$48,777.84	500
20160307	P	MRVL	\$46,999.50	1200
20160311	S	MRVL	\$48,003.00	100
20160318	S	WATT	\$47,828.00	100
20160322	P	NKE	\$46,994.50	1200
20160406	P	WATT	\$40,040.98	988
20160406	S	FCX	\$40,709.55	100
20160411	P	VALE	\$38,263.32	920.16

Unauthorized Trades in Customer A's IRA Account

Trade Date	Action	Symbol	Principal Amt.	Comm.
20160411	S	WATT	\$38,006.70	100
20160412	P	RIO	\$38,050.32	950
20160412	S	VALE	\$ 39,106.80	100
20160502	S	RNSIX	\$ 13.85	0

Unauthorized Trades in Customer B's Brokerage Account

Trade Date	Action	Symbol	Principal Amt.	Comm.
20150518	P	BX	22,010.00	400.00
20150612	P	KKR	23,019.90	500.00
20150623	P	DIS	33,112.20	800.00
20150623	S	VDSI	34,160.00	200.00
20150716	P	GILD	23,769.00	500.00
20150825	S	YANG	58,681.17	600.00
20150826	P	VLO	57,520.00	1,400.00
20151029	P	AMZN	66,765.86	1,700.00
20151029	S	DIS	68,730.00	250.00
20151106	S	AMZN	70,701.15	1,767.53
20151106	P	VDSI	69,208.40	1,500.00
20151117	P	IDTI	69,999.08	1,700.00
20151117	S	VDSI	72,199.70	100.00
20151118	S	IDTI	72,906.30	100.00
20151118	P	NXPI	70,937.65	1,800.00
20151125	S	NXPI	73,620.15	100.00
20151125	P	IDTI	72,225.40	1,800.00
20160105	P	BXLT	66,298.00	100.00
20160105	S	IDTI	67,081.00	100.00
20160112	S	BXLT	63,936.00	100.00
20160112	P	CHAD	60,280.72	1,500.00
20160129	S	YANG	2,823.45	-
20160223	S	YANG	17,087.50	-
20160322	P	WATT	37,791.00	900.00
20160322	S	YANG	39,171.48	100.00
20160329	P	WU	40,950.00	1,008.00
20160329	S	WATT	44,043.25	500.00
20160405	S	WU	40,341.00	100.00
20160405	P	MRVL	43,948.50	440.00
20160405	S	MRVL	45,118.50	100.00
20160406	S	ATW	47,137.50	100.00
20160406	P	ATW	44,943.75	1,100.00
20160407	P	BRCD	23,514.40	550.00
20160407	P	MBLY	23,442.75	550.00
20160408	S	MBLY	24,426.15	100.00

Unauthorized Trades in Customer B's Brokerage Account

Trade Date	Action	Symbol	Principal Amt.	Comm.
20160408	P	ITUB	23,590.19	600.00
20160411	P	RIO	24,081.30	599.40
20160411	S	ITUB	24,479.00	100.00

Unauthorized Trades in Customer B's IRA Account

Trade Date	Action	Symbol	Principal Amt.	Comm.
20151015	P	STZ	31,942.86	800.00
20151015	S	ATVI	65,947.68	300.00
20151015	P	NKE	32,088.50	800.00
20151029	P	ARII	29,053.85	500.00
20151029	S	EWJ	59,280.00	75.00
20151029	P	AET	28,454.40	500.00
20151030	P	MAS	30,912.30	750.00
20151030	S	ARII	32,130.00	250.00
20151201	S	NKE	33,287.50	150.00
20151201	S	STZ	33,654.00	150.00
20151201	S	MAS	32,364.80	150.00
20151204	P	BXLT	51,870.00	1,300.00
20151204	P	NVDA	44,782.80	1,100.00
20151211	S	BXLT	56,850.15	600.00
20151216	P	KEY	53,956.00	1,375.00
20160112	S	KEY	48,298.00	100.00
20160112	S	NVDA	40,293.80	100.00
20160119	P	STZ	86,304.29	2,220.00
20160201	S	STZ	92,279.78	1,000.00
20160201	P	NFLX	89,514.85	2,000.00
20160301	P	NKE	90,132.53	2,193.25
20160301	S	NFLX	91,481.00	100.00
20160309	S	AET	26,769.86	100.00
20160309	P	ATW	27,130.40	700.00
20160317	S	EROS	30,750.00	100.00
20160317	S	ATW	28,899.66	100.00
20160317	S	NKE	89,598.30	100.00
20160317	P	EROS	28,030.50	700.00
20160318	P	CSX	58,517.27	1,500.00
20160318	P	LAZ	58,475.97	1,500.00

Discretionary Trades in Customer C's Brokerage Account

Trade Date	Action	Principal Amt.	Comm.
20150506	P	4,999.47	100.00
20150608	P	8,436.00	200.00
20150608	S	8,657.30	100.00
20150820	S	21,288.00	100.00
20150820	P	29,041.94	750.00
20150902	S	28,700.66	100.00
20150902	P	13,978.40	360.00
20150902	P	14,020.99	360.00
20150910	P	15,003.00	375.00
20150910	S	15,016.90	125.00
20151015	S	15,579.00	100.00
20151015	P	15,520.60	400.00
20151020	P	15,719.60	400.00
20151020	S	16,351.35	100.00
20151027	S	2,295.13	-
20151104	S	14,339.76	100.00
20151104	P	13,927.50	350.00
20151201	P	23,230.00	550.00
20151201	S	10,841.40	100.00
20151201	S	14,460.00	100.00
20151216	S	23,010.00	100.00
20151216	P	22,980.00	575.00
20160112	S	10,460.50	-
20160201	P	7,360.00	180.00
20160201	S	9,439.81	100.00
20160309	P	7,984.60	200.00
20160309	S	7,040.00	100.00
20160506	S	9,389.30	100.00
20160516	P	9,953.76	250.00
20160601	S	10,925.37	200.00
20160601	P	5,244.50	100.00
20160615	S	5,869.50	100.00
20160615	P	11,388.00	200.00
20160617	S	12,007.55	100.00
20160617	P	11,790.80	300.00
20160712	P	13,884.31	350.00

Trading in Customer C's Brokerage Account

Trade Date	Action	Principal Amt.	Comm.
20160712	S	13,966.10	100.00
20160826	S	16,095.97	201.06
20160826	P	18,464.04	449.82
20161012	S	15,171.75	-
20161123	P	12,266.68	273.20
20161123	S	11,184.40	100.00
20161129	S	12,403.28	95.62
20161205	P	12,080.88	293.28
20161207	S	13,163.76	203.04
20161212	P	14,138.02	343.59
20161221	S	13,752.41	100.00
20170104	P	12,789.77	298.91
20170110	P	11,685.00	290.00
20170110	S	12,533.38	96.83
20170201	P	11,997.48	300.00
20170201	S	11,970.00	100.00
20170223	P	12,017.60	300.00
20170223	S	12,615.36	100.00
20170405	S	4,290.00	-
20170616	S	1,930.83	-

Unauthorized Trades in Customer D's Brokerage Account

Trade Date	Action	Symbol	Principal Amt.	Comm. Amt.
20150526	P	AMBA	8,542.50	100.00
20150616	P	VDSI	65,319.80	1,600.00
20150622	P	MET	70,088.88	1,500.00
20150622	P	DIS	60,179.66	1,500.00
20150622	S	VDSI	69,520.20	200.00
20150622	S	AMBA	58,938.00	100.00
20150706	S	ALK	65,620.10	100.00
20150706	P	DIS	32,306.40	800.00
20150706	P	MET	31,756.40	800.00
20150715	S	MET	56,880.10	100.00
20150715	P	GILD	54,592.80	1,200.00
20150821	S	EMC	92,484.00	100.00
20150821	S	YANG	89,062.50	100.00
20150821	P	YANG	84,052.36	2,100.00
20150825	P	VLO	48,471.75	1,200.00
20150825	P	DIS	48,741.92	1,200.00
20150910	S	VLO	52,913.95	200.00
20150910	P	MET	7,843.20	200.00
20150910	P	GILD	43,316.00	1,000.00
20151001	S	DIS	51,132.64	100.00
20151001	P	MET	25,063.70	625.00
20151001	P	GILD	24,959.40	625.00
20151104	S	GILD	59,427.50	100.00
20151104	S	MET	37,420.35	100.00
20151104	P	CTB	47,466.03	1,200.00
20151104	P	ATVI	44,549.00	1,200.00
20151105	P	ATVI	44,549.00	1,115.00
20151105	S	ATVI	44,549.00	(1,200.00)
20151109	P	ACHN	41,920.00	1,000.00
20151109	P	SLCA	17,289.80	400.00
20151109	S	GILD	61,044.10	100.00
20151117	S	IDTI	40,872.16	100.00
20151117	P	EROS	40,447.00	100.00
20151119	S	EROS	40,902.39	300.00
20151201	S	SLCA	17,761.20	75.00

Unauthorized Trades in Customer D's Brokerage Account

Trade Date	Action	Symbol	Principal Amt.	Comm. Amt.
20151201	P	AOS	39,900.00	1,000.00
20151201	S	ATVI	46,224.00	100.00
20151201	P	NUAN	31,231.20	750.00
20151201	P	BRCM	30,828.00	750.00
20151216	P	JPM	68,268.40	1,700.00
20151216	S	BRCM	31,841.60	100.00
20151216	S	ACHN	38,955.36	100.00
20160107	S	JPM	62,174.80	100.00

Unauthorized Trades in Customer D's Joint Account

Trade Date	Action	Symbol	Principal Amt.	Comm.
20150827	P	MU	95,520.00	2,300.00
20150904	P	DRII	23,940.00	600.00
20150904	S	MU	50,370.00	400.00
20150904	S	MU	50,400.00	500.00
20150904	S	FB	15,233.75	100.00
20150904	S	AAPL	24,675.75	100.00
20150904	P	JBLU	47,080.00	1,150.00
20150915	P	SWHC	3,726.00	75.00
20150918	S	MTG	52,632.00	(1,300.00)
20150918	S	ATVI	27,912.55	(700.00)
20150918	P	MTG	25,800.00	637.25
20150924	P	VDSI	24,766.00	600.00
20151001	S	DRII	23,301.12	100.00
20151006	S	VDSI	26,530.00	100.00
20151009	P	VDSI	24,930.00	600.00
20151117	S	VDSI	27,521.00	300.00
20151123	P	AMZN	25,946.78	600.00

Unauthorized Trades in Customer E's Brokerage Account

Trade Date	Buy / Sell	Symbol	Principal Amt.	Comm.
20160114	P	CHAD	4,866.00	100.00
20160209	S	CHAD	5,161.00	-
20160307	P	NEM	26,210.00	650.00
20160308	S	NEM	26,210.00	(650.00)
20160309	P	NEM	25,740.00	600.00
20160322	S	WATT	16,810.42	100.00
20160322	P	VDSI	16,029.40	400.00
20160324	S	NFLX	5,875.81	100.00
20160331	P	EROS	11,001.00	275.00
20160405	P	ATW	16,005.00	400.00
20160405	S	VDSI	16,799.40	100.00
20160405	S	NVDA	26,955.08	100.00
20160405	P	NVDA	26,760.00	650.00
20160406	S	CTL	25,269.15	100.00
20160406	P	TA	24,079.05	600.00
20160408	P	MBLY	23,002.00	575.00
20160408	S	TA	24,420.90	100.00
20160412	S	ATW	16,722.80	100.00
20160412	P	VALE	16,057.92	400.00
20160415	S	NFLX	27,060.48	100.00
20160415	P	ATW	28,022.02	700.00
20160421	S	UA	29,208.20	100.00
20160421	P	FLEX	27,945.55	700.00
20160516	P	NVDA	31,601.70	730.00
20160516	S	CPE	31,404.21	100.00
20160520	S	NVDA	32,236.80	100.00
20160520	P	IDTI	32,003.04	800.00
20160525	S	IDTI	33,291.36	100.00
20160525	P	IRBT	33,548.20	800.00
20160601	P	FE	28,011.06	700.00
20160601	S	FLEX	29,076.63	100.00
20160608	P	CPE	27,855.00	700.00
20160608	S	FE	28,713.24	100.00
20160613	P	WATT	31,562.02	800.00
20160613	S	IRBT	32,671.78	100.00

Unauthorized Trades in Customer E's Brokerage Account

Trade Date	Buy / Sell	Symbol	Principal Amt.	Comm.
20160615	P	ATW	25,032.15	600.00
20160615	S	CPE	26,442.50	100.00
20160617	P	WATT	10,696.00	265.00
20160617	P	IDTI	15,494.37	400.00
20160617	S	ATW	26,341.60	100.00

Unauthorized Trades in Customer F's Brokerage Account

Trade Date	Action	Symbol	Principal Amt.	Comm.
20160504	P	MDVN	41,230.00	-
20160504	P	DIS	30,055.60	-
20160504	P	WNC	26,940.00	-
20160506	S	DIS	30,470.30	-
20160506	S	MDVN	42,112.00	-
20160506	S	WNC	27,541.00	-
20160511	P	CTB	32,500.00	100.00
20160511	P	LAZ	34,160.00	100.00
20160516	P	NVDA	42,400.00	100.00

Unauthorized Trades in Customer G's Brokerage Account

Trade Date	Action	Symbol	Principal Amt.	Comm.
20160114	P	CSX	1,153.50	-
20160613	P	NVDA	45,036.19	1,000.00
20160907	P	STX	45,012.00	1,104.00
20160907	S	JBLU	45,226.08	191.52
20161010	P	IDTI	45,100.00	1,000.00
20161010	S	CPE	45,650.00	100.00
20161026	P	JNPR	41,876.10	994.50
20161026	S	IDTI	42,120.00	100.00
20161123	P	MU	41,005.04	986.86
20161123	S	JNPR	40,301.82	100.00
20161207	P	BX	40,413.00	950.06
20161207	S	MU	40,783.50	100.70
20170104	P	RDN	41,139.08	998.20
20170104	S	BX	41,523.04	100.00
20170202	P	ABEO	40,343.37	1,000.00
20170202	S	RDN	41,056.40	100.00
20170207	P	AMD	40,982.00	1,000.00
20170207	S	ABEO	21,200.00	100.00
20170207	S	ABEO	21,835.50	100.00
20170221	P	ARCC	43,023.70	998.34
20170221	S	AMD	43,503.85	200.00
20170328	P	BAC	40,995.98	1,000.00
20170328	S	ARCC	41,359.80	100.00
20170425	P	LUV	20,513.03	495.58
20170425	P	NFLX	20,463.50	436.92
20170425	S	BAC	42,178.69	209.64
20170510	S	NFLX	21,239.72	200.00
20170510	P	AMAT	22,008.97	500.00

Unauthorized Trades in Customer H's Brokerage Account

Trade Date	Action	Symbol	Principal Amt.	Comm.
20150220	P	SLCA	48,715.65	1200
20150220	S	TSM	49,429.60	200
20150223	S	ACHN	43,048.80	200
20150223	P	FEYE	42,086.40	900
20150324	P	CHK	57,545.85	1400
20150324	S	IDTI	59,455.28	100
20150326	S	SLCA	50,112.45	100
20150326	P	SWKS	48,426.10	1200
20150330	S	SWKS	53,143.10	500
20150330	P	KING	51,054.20	1300
20150402	S	ACHN	29,580.00	100
20150407	S	CHK	61,954.48	500
20150408	S	KING	53,844.70	300
20150408	P	SLCA	27,912.08	740
20150410	P	SPF	59,158.88	1500
20150413	P	BRCD	53,698.36	1350
20150528	S	FEYE	44,640.00	100
20150602	P	CSX	43,967.87	1100
20150618	S	CSX	45,593.73	100
20150618	S	BRCD	55,100.84	100