

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2017052426201**

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

RE: Garry N. Savage, Sr.
General Securities Principal
CRD Number: 1195330

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Garry N. Savage, Sr. ("Savage" or "Respondent") submits 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. Respondent hereby accepts and consents, 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

In October 1983, Savage entered the securities industry as an Investment Company Products and Variable Contracts Representative with a FINRA-registered firm. He subsequently obtained the following securities licenses: Direct Participation Programs Representative (August 1984); General Securities Representative (February 1988); and General Securities Principal (September 1989). In August 1995, Savage became registered in the same capacities with Wall Street Strategies, Inc. ("Firm"), where he remained until June 2017, when he voluntarily terminated his registration.¹ Since that time, Savage has not been registered with a FINRA firm. Savage, however, remains subject to the jurisdiction of FINRA pursuant to Article V, Section 4(a) of FINRA's By-Laws, which provides for a two-year period of retained jurisdiction over formerly-registered persons.

¹ On June 7, 2017, the Firm began the process of withdrawing from registration by filing a Form BDW. On November 22, 2017, FINRA cancelled the Firm's membership for failing to have the required principals registered with the Firm.

RELEVANT DISCIPLINARY HISTORY

Savage does not have any relevant disciplinary history.

OVERVIEW

Savage violated NASD Rule 1017 and FINRA Rule 2010 by failing to obtain FINRA approval of a material change in Wall Street Strategies' business operations, as required by Rule 1017 and the Firm's Membership Agreement. Savage violated Article V, Section 2 of the FINRA By-Laws and FINRA Rules 1122 and 2010 when he willfully failed to disclose an arbitration matter that had been filed against him. Savage also violated FINRA Rules 8210 and 2010 by failing to respond in a timely manner to FINRA requests for documents and information.

In addition, Savage violated FINRA Rule 2010 by causing Wall Street Strategies to: 1) conduct a securities business while maintaining insufficient net capital, in contravention of Section 15(c) of the Securities Exchange Act and Exchange Act Rule 15c3-1; and, 2) fail to file a notification that the Firm was net capital deficient, in contravention of Section 17(a) of the Securities Exchange Act and Exchange Act Rule 17a-11. Furthermore, by failing to suspend all business operations while Wall Street Strategies was net capital deficient, Savage also violated FINRA Rules 4110(b)(1) and 2010.

FACTS AND VIOLATIVE CONDUCT

Failure to File an Application for Approval of Material Change in Business Operations

NASD Membership and Registration Rule 1017 requires that a member file an application for approval of, among other things, a material change in business operations at least 30 days prior to the change, with the FINRA district office where the member's principal office is located.

FINRA Rule 2010 requires members and associated persons to "observe high standards of commercial honor and just and equitable principles of trade."

Prior to June 7, 2017, Wall Street Strategies was a broker-dealer headquartered in Huron, Ohio, with branch offices located in Ohio, Iowa and Florida. It employed approximately 10 registered representatives and Garry Savage, Sr. was its CEO, President, Chief Compliance Officer and principal owner.

According to Wall Street Strategies' Membership Agreement, which was signed by Savage on October 24, 2004, the Firm was permitted to engage in the following types of business: (1) mutual fund retailer; (2) broker or dealer selling

variable life insurance or annuities; and (3) broker or dealer selling tax shelters or limited partnerships in primary distributions. The Membership Agreement further provided that the Firm was required to "obtain the prior approval of [FINRA] pursuant to Rule 1017 before removing or modifying any restrictions imposed or before effecting a material change in business operations."

On January 15, 2015, Savage sent a letter to FINRA staff requesting a change in the Firm's Membership Agreement to include the sale of real estate investment trusts and alternative investments. Savage stated in the letter that he did not believe he needed to file a continuing membership application (CMA) because the additional product lines did not constitute a material change in the Firm's business operations.

On January 29, 2015, FINRA's Membership Application Program (MAP) staff sent Savage an email in response to Savage's January 15, 2015 request. The MAP staff advised Savage that the proposed changes *did* constitute a material change in the Firm's business operations, and that the Firm was required to file a CMA.

On October 15, 2015, Wall Street Strategies submitted a request to FINRA staff for a materiality consultation, in which the Firm requested the staff's opinion on whether adding certain product lines would constitute a material change in the Firm's business operations. Those lines, as of the date of the materiality consultation request, included the sale of oil and gas interests, private placements, non-traded real estate investment trusts and other non-traded public offerings.

On October 30, 2015, FINRA's MAP staff informed Savage of its determination that the additional product lines represented a material change in the Firm's business operations, and that the Firm should not engage in sales of the products until MAP staff had reviewed and approved the Firm's request. On November 2, 2015, the MAP staff sent a letter confirming its decision.

Despite FINRA MAP staff's notice and directive, the Firm engaged in more than fifty transactions with customers totaling approximately \$4 million, involving the sale of oil and gas interests, private placements and non-traded real estate investment trusts. Savage effected several of these transactions himself.

By virtue of the foregoing, Savage caused his Firm to engage in sales of securities products that the Firm was not approved for pursuant to its Membership Agreement, in violation of NASD Rule 1017 and FINRA Rule 2010.

Failure to Disclose an Arbitration Claim on Form U4

Article V, Section 2 of the FINRA By-Laws requires an associated person to keep his Form U4 "current at all times," and to file an amendment to the Form U4 within 30 days of learning of any disclosure event. FINRA Rule 1122 further provides that a registered representative shall not file information with FINRA that "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." Doing such constitutes conduct that is inconsistent with just and equitable principles of trade under FINRA Rule 2010 and, when discovered, may be sufficient cause for appropriate disciplinary action.

At all times relevant to this matter, registered representatives completing a Form U4 were asked the following in Question 14I.(1): "Have you ever been named as a respondent/defendant in an investment-related, consumer-initiated arbitration or civil litigation which alleged that you were involved in one or more sales practice violations and which . . . is still pending?"

On or about July 14, 2016, while registered with Wall Street Strategies, RF and BF (husband and wife) filed a Statement of Claim with FINRA's Office of Dispute Resolution against Savage and others. To date, Savage has willfully failed to amend his Form U4 to disclose RF and BF's claim, which is an investment-related, consumer-initiated claim that alleged sales practice violations against him.

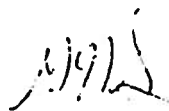
By virtue of the foregoing, Savage has violated Article V, Section 2 of the FINRA By-Laws and FINRA Rules 1122 and 2010.

Failure to Timely Respond to an 8210 Request for Information

FINRA Rule 8210 provides that FINRA staff shall have the right to "require a member, person associated with a member, or person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically . . . with respect to any matter involved in the investigation, complaint, examination, or proceeding." The rule further requires that the submission of information be made in a full and timely manner.

Request for Documents and Information Relating to FINRA's Scheduled Examination of Wall Street Strategies

On June 6, 2017, FINRA staff sent a letter to Savage at his Wall Street Strategies' office via first class mail, certified mail and through FINRA's Request Manager System, asking him, pursuant to FINRA Rule 8210, to provide certain documents and information related to an upcoming examination of Wall Street Strategies. FINRA staff requested that Savage provide the documents and information by June 19, 2017.



On June 20, 2017, FINRA staff sent another letter to Savage at his office via first class mail, certified mail and through FINRA's Request Manager System, asking him again, pursuant to FINRA Rule 8210, to provide the documents and information related to an examination of the Firm scheduled to take place on June 26, 2017. FINRA staff requested that Savage provide the documents and information by July 5, 2017.

On June 21, 2017, Savage submitted a written response through FINRA's Request Manager System stating: "The firm filed Form BDW on Wednesday June 7, 2017. As the firm is no longer operating, there is no need to conduct an examination and the document request will not be completed."

On or about June 27, 2017, FINRA staff advised Savage in a telephone conversation that, even though Wall Street Strategies had filed a Form BDW, Savage was still required to provide the documents and information requested in the 8210 letters sent to him on June 6 and June 20, 2017. FINRA staff advised Savage that the documents requested should be easily accessible to him and were necessary in order for the staff to conduct its examination of the Firm, and that FINRA staff would be examining the Firm with respect to its activities occurring prior and subsequent to, the firm's filing of Form BDW. Savage acknowledged during the telephone conversation his obligation to provide the documents and information, and requested additional time to respond completely. FINRA staff agreed to extend the deadline until July 18, 2017, and advised Savage that no further extensions would be granted.

On June 30, 2017, FINRA staff sent a letter to Savage, again pursuant to FINRA Rule 8210, confirming that Savage must respond to the request for documents and information by no later than July 18, 2017. The letter reminded Savage that no further extensions would be granted.

Request for Documents and Information Relating to Possible Net Capital Violation

In addition to the above request for information, FINRA staff sent Savage another 8210 request seeking additional documents and information. Specifically, on June 28, 2017, FINRA staff sent a letter to Savage at his Wall Street Strategies' office via first class mail, certified mail and FINRA's Request Manager System, asking him to provide certain documents and information related to the Firm's net capital compliance and securities business, conducted by the Firm between May 1 and June 26, 2017. FINRA staff requested that Savage provide the documents and information by July 18, 2017.

Failure to Timely Respond to the Two Requests for Documents and Information

Savage failed to provide the documents and information by the final deadline of July 18, 2017 relating to 1) the upcoming examination of Wall Street Strategies and 2) the Firm's net capital compliance and securities business conducted by Wall Street Strategies between May 1 and June 26, 2017.

One week later, on July 25, 2017, FINRA staff sent Savage a letter, via first class mail, certified mail and through FINRA's Request Manager System, advising him that, due to his failure to provide the information and documentation by the agreed upon final deadline of July 18, 2017, Savage was in violation of FINRA Rule 8210 and would be subject to the institution of an expedited or formal disciplinary proceeding that could lead to sanctions, including a suspension from the securities industry.

Despite the staff's efforts to obtain the necessary documents and information to conduct its examinations of Wall Street Strategies, Savage continued to fail to provide the documentation and information requested.

On August 7, 2017, FINRA staff sent Savage's attorney a Wells Notice, stating that the staff had made a preliminary determination to recommend that formal disciplinary action be brought against Savage and the Firm, for potential violations of FINRA Rules 8210 and 2010.

Three weeks after FINRA staff issued Savage and the Firm a Wells Notice, on or about August 30, 2017, Savage finally provided FINRA staff with the documents and information requested.

By virtue of the foregoing, Savage violated FINRA Rules 8210 and 2010.

Engaging in Securities Transactions While Failing to Maintain its Minimum Required Net Capital

Section 15(c) of the Securities Exchange Act and Exchange Act Rule 15c3-1, established thereunder, collectively known as the "Net Capital Rule," prohibits broker-dealers from engaging in a securities business if their net capital falls below certain amounts. FINRA Rule 4110(b)(1) provides that a broker-dealer must suspend all business operations during any period in which it is not in compliance with applicable net capital requirements under the Net Capital Rule. Exchange Act Rule 17a-11 further provides that a broker-dealer that is net capital deficient is required to file a financial notification to that effect with the SEC and FINRA.

Pursuant to its Membership Agreement with FINRA, Wall Street Strategies' minimum net capital requirement was \$5,000.

On May 17, 2017, an arbitration award was entered against Wall Street Strategies in favor of MW. On May 18, 2017, FINRA staff emailed Savage notification that an arbitration award in favor of customer MW had been entered against the Firm. Additionally, on May 22, 2017, FINRA staff advised Savage by telephone and email that, as a result of the MW arbitration award, Savage must suspend his Firm's securities business operations in the event the Firm's net capital level had fallen below its required minimum amount. Savage was also advised by FINRA staff to notify the SEC and FINRA of any net capital deficiency.

Despite FINRA staff's warnings and Savage's knowledge of the aforementioned arbitration awards, Wall Street Strategies conducted a securities business between May 18 and May 30, 2017, while it was net capital deficient. During that period, the Firm operated with a net capital deficiency of between \$130,000 and \$150,000, yet executed seven securities transactions on behalf of customers in amounts ranging from \$100,000 to \$500,000. One of the seven transactions was effected by Savage, and Savage was the principal responsible for reviewing the other six transactions. At no time during this period did Savage file a notification with the SEC and FINRA that the Firm had a net capital deficiency.

By virtue of the foregoing, Savage violated FINRA Rule 2010 by: 1) causing or allowing Wall Street Strategies to conduct a securities business during the period from May 18, 2017 through May 30, 2017, while knowing that the Firm failed to maintain sufficient net capital, in contravention of Section 15(c) of the Securities Exchange Act, and Exchange Act Rule 15c3-1; and 2) failing to ensure that Wall Street Strategies filed a notification that it was net capital deficient, in contravention of Section 17(a) of the Securities Exchange Act, and Exchange Act Rule 17a-11.

Additionally, by not suspending all business operations while knowing that the Firm was operating under net capital, Savage violated FINRA Rules 4110(b)(1) and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a five-month suspension from association with any FINRA registered firm in any capacity;
- a three-month suspension from association with any FINRA registered firm in a principal capacity (to be served following the five month all-capacity suspension); and
- a \$30,000 fine.

The fine shall be due and payable either immediately upon reassociation 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.

Respondent specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes 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, he 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).

Respondent understands that if he is barred or suspended from associating with any FINRA member in a principal capacity, he becomes 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, he may not be associated with any FINRA member in any principal capacity, during the period of the bar or suspension (see FINRA Rules 8310 and 8311). Furthermore, because Respondent is subject to a statutory disqualification during the suspension, if he remains associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

Respondent understands that this settlement includes a finding that he willfully omitted to state a material fact on a Form U4, and that under Section 3(a)(39)(F) of the Securities Exchange Act of 1934 and Article III, Section 4 of FINRA's By-Laws, this omission makes Respondent subject to a statutory disqualification with respect to association with a member.

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

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against Respondent;

- 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, Respondent specifically and voluntarily waives any right to claim bias or prejudice 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.

Respondent further specifically and voluntarily waives 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.

III.

OTHER MATTERS

Respondent understands 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;

3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
4. Respondent 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. Respondent 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 Respondent's: (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. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he understands and acknowledges that FINRA does not represent or advise him and he cannot rely on FINRA or FINRA staff members for legal advice; that he has 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 him to submit it.

June 12, 2018
Date

Garry N. Savage
Garry N. Savage

Accepted by FINRA:

6-13-18
Date

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

Richard A. March

Richard A. March
Senior Regional Counsel
FINRA Department of Enforcement
55 West Monroe Street, Suite 2700
Chicago, IL 60603
Phone: 312.899.4600
Fax: 312. 899.4351
Email: richard.march@finra.org