

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2017056047701**

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

RE: Ronald "Ramone" J. Knight, Respondent
Former Registered Representative
CRD No. 5265446

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Ronald J. Knight 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 Respondent 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

Knight entered the securities industry in approximately January 2007, when he became associated with NYLIFE Securities LLC ("NYLIFE" or the "Firm"). Between approximately January 2008 and April 2017, Knight was registered with the Firm as an Investment Company and Variable Contracts Products Representative. He was also registered with the Firm as an Investment Company Products/Variable Contracts Principal between approximately September 2010 and April 2017.

On April 4, 2017, NYLIFE filed a Form U5 terminating Knight's registration. The Firm filed Form U5 Amendments on December 26, 2017 and March 16, 2018 disclosing customer complaints relating to Knight. Knight is not currently registered or associated with a member firm, but FINRA retains jurisdiction over him pursuant to Article V, Section 4 of FINRA's By-Laws.

RELEVANT DISCIPLINARY HISTORY

Respondent does not have any disciplinary history with the Securities and Exchange Commission, any state securities regulators, FINRA, or any other self-regulatory organization.

OVERVIEW

Between approximately February 2015 and August 2016 (the “Relevant Period”), Knight falsified 31 expense reports and submitted them to his Firm in order to obtain reimbursement to which he was not entitled totaling approximately \$3,900. For 12 of these expenses totaling approximately \$1,100, Knight requested reimbursement even though he had not personally incurred the expense. The remaining expenses were personal expenses, which Knight mischaracterized as business expenses in expense reports he submitted to the Firm. By virtue of this conduct, Knight converted Firm funds in violation of FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

Conversion is an intentional and unauthorized taking of or exercise of ownership over property by one who neither owns the property nor is entitled to possess it. FINRA Rule 2010 requires associated persons to observe “high standards of commercial honor and just and equitable principles of trade” in their business. Conversion of funds is a violation of FINRA Rule 2010.

During the Relevant Period, Knight falsified 31 expense reports that he then submitted to his Firm in order to obtain reimbursement to which he was not entitled in the amount of approximately \$3,900. Out of the \$3,900 in reimbursement requests, approximately \$1,100 related to expenses, such as dinners and drinks, that Knight had not personally incurred because those expenses were paid for by someone other than Knight. Knight obtained the remaining approximately \$2,800 in reimbursement for personal expenses, such as personal meals, that Knight charged to his Firm-issued credit card and then mischaracterized as business-related.

For each expense submitted by Knight, the Firm required Knight to submit a receipt with an expense report identifying the business purpose and attendees for each expense. The Firm’s policies stated that Firm funds could “be used only to pay for reasonable and necessary business expenses” and that the Firm’s funds could “not be used to pay for any personal expenses.” To obtain reimbursement for the 31 expense reports, Knight misrepresented that the expenses were for business purposes, such as recruiting events and client meetings and, in some instances, misrepresented the attendees at the events to make it appear as though he was conducting a recruiting event or client meeting. For the approximately \$1,100 in expenses that were not paid for by Knight, Knight additionally misrepresented to the Firm that he had incurred those expenses.

By virtue of the foregoing, Knight converted Firm funds in violation of FINRA Rule 2010.

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

A bar from association with any FINRA member firm in any capacity.

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.

The sanctions imposed herein shall be effective on a date set by FINRA staff. A bar shall become effective upon approval or acceptance of this AWC.

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 him;
- 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 prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

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 action 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.

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; Respondent has agreed to the AWC's provisions voluntarily; and 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 this AWC.

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

10-23-19
Date



Ronald J. Knight
Respondent

Accepted by FINRA:

10/29/19
Date

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



Catherine Moore
Senior Attorney
FINRA
Department of Enforcement
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Rockville, MD 20850