
**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2017056611801**

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

RE: Daniel Robert Rozzi ("Rozzi"), Respondent
Former Registered Representative
CRD No. 5319858

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Daniel Robert Rozzi, submit 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. I hereby accept and consent, 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

Rozzi joined the securities industry in March 2007, when he became associated as a financial advisor trainee with FINRA member firm Morgan Stanley & Co., Incorporated ("Morgan Stanley") in New York, NY, where he remained employed until June 2009. While associated with Morgan Stanley, Rozzi obtained a Series 7 General Securities Representative ("GSR") registration in June 2007 and a Series 66 Investment Advisor registration in July 2007. In August 2007, Rozzi passed the Series 31 Futures Managed Funds examination that qualified him to sell or supervise the sale of managed futures funds. Between June 2009 and September 2015, Rozzi was consecutively associated with three FINRA member firms. From September 2015 to July 2016, Rozzi was not employed in the securities industry.

On July 7, 2016, Rozzi became associated as a GSR with FINRA member firm Ashton Stewart & Co. Inc. (the "Ashton Stewart" or the "Firm"). On March 14, 2018, Ashton Stewart filed a Uniform Termination Notice for Securities Industry Registration ("Form U5"), reporting that Rozzi had voluntarily resigned from the Firm on March 9, 2018.¹ Rozzi is not employed in the securities industry, however, pursuant to Article V, Section 4 of FINRA's By-Laws, Rozzi remains subject to FINRA's jurisdiction.

¹On March 14, 2018, Rozzi passed FINRA's Securities Industry Essentials Examination.

RELEVANT DISCIPLINARY HISTORY

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

OVERVIEW

During his association with the Firm between July 2016 and March 2018, Rozzi willfully failed to amend his Uniform Application for Securities Industry Registration or Transfer ("Form U4") to disclose a \$14,789 civil judgment in violation of Article V, Section 2(c) of the FINRA By-Laws and FINRA Rules 1122 and 2010. In addition, in January and July 2018, Rozzi submitted false written responses to FINRA about the civil judgment in violation of FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

Rozzi's Willful Failure to Amend His Form U4 to Disclose a Civil Judgment

Article V, Section 2(c) of the FINRA By-Laws requires an associated person to keep the Form U4 "current at all times," and file any amendments to the Form U4 not later than 30 days after learning of the facts or circumstances giving rise to the amendment.

FINRA Rule 1122 states that "[n]o ... person associated with a member shall file with FINRA information with respect to ... 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. A violation of Article V, Section 2(c) of the FINRA By-Laws and FINRA Rule 1122 constitutes a violation of FINRA Rule 2010.

At all times relevant herein, Question 14M on the Form U4 asks "[d]o you have any unsatisfied judgments or liens against you?" At all times, Rozzi was required to keep his application current by filing amendments within 30 days of learning of facts that are required to be disclosed.

In March 2016, prior to Rozzi's association with Ashton Stewart, a financial credit services company entered a civil judgment against him for \$14,789 and Rozzi received notice of the judgment at that time. Four months later, upon his association with the Firm in July 2016, Rozzi was aware of the civil judgment but failed to update his Form U4 to disclose the judgment within 30 days of joining the Firm. During Rozzi's 20-month association with the Ashton Stewart, the Firm amended his Form U4 seven times, yet Rozzi failed to disclose the judgment to amend the Forms U4. The judgment remains unsatisfied.

In addition, during this period, Rozzi also falsely represented that he did not have any outstanding judgments against him in response to a FINRA Personal Activity Questionnaire that Ashton Stewart asked him to complete and which Ashton Stewart then submitted to FINRA in connection with a sales practice examination of the Firm.

By virtue of the foregoing, Rozzi willfully failed to disclose the civil judgment on his Form U4, in violation of Article V, Section 2(c) of FINRA's By-Laws, and FINRA Rules 1122 and 2010.

Rozzi's Misrepresentations to FINRA

FINRA Rule 8210 requires member firms and associated persons to provide information to FINRA in the course of an investigation. Providing false or misleading information to FINRA in connection with an examination or investigation is a serious breach of the standards of just and equitable principles of trade and violates FINRA Rules 8210 and 2010.

In written responses to FINRA Rule 8210 requests, dated January 9, 2018 and July 9 2018, Rozzi stated that he did not have notice of the civil judgment until he received FINRA's Rule 8210 about the judgment in January 2018. At the time Rozzi submitted these responses to FINRA, he knew that they were false. Rozzi received notice and became aware of the civil judgment during March 2016.

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

B. I also consent to the imposition of the following sanctions:

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

I understand that if I am barred or suspended from associating with any FINRA member, I become 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, I 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).

I understand that this settlement includes a finding that I 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 II, Section 4 of FINRA's By-Laws, this omission makes me 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

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- 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, I specifically and voluntarily waive 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.

I further specifically and voluntarily waive 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

I understand 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 me; and
- C. If accepted:

1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
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. I 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. I 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 my: (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.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have 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 me to submit it.

06 / 06 / 2019

DATE

Accepted by FINRA:

June 13, 2019
DATE

Daniel Robert Rozzi, Respondent
Pro Se



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



Myles L. Orosco
Senior Counsel
FINRA Department of Enforcement
Brookfield Place, 200 Liberty Street
New York, NY 10281-1003
646-315-7383 (t)
202-689-3419 (f)