

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

Department of Enforcement,

Complainant,

v.

Spartan Capital Securities, LLC,
CRD No. 146251,

Kim M. Monchik,
CRD No. 2528972,

Frederick Joseph Cammarano III,
CRD No. 2277307,

James Pecoraro,
CRD No. 2440231,

John Stapleton,
CRD No. 2791194,

Michael Darvish,
CRD No. 3243141,

Respondents.

Disciplinary Proceeding
No. 2018056490335

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. For more than four years, Spartan Capital Securities, LLC, defrauded customers by engaging in widespread churning, generating millions in revenue and causing customers millions in harm. Spartan's business model depended on this misconduct – approximately two-thirds of the firm's trading revenue and one-third of its overall revenue, more than \$46 million in

total, was generated from more than 1,200 accounts with a cost-to-equity ratio greater than 20% from January 2018 to April 2022.

2. This complaint focuses on 114 of those accounts, which incurred nearly \$10 million in total trading costs and suffered nearly \$8 million in total investment losses. The firm facilitated this churning and excessive trading, failing to take any meaningful steps to supervise the 39 registered representatives who carried out this misconduct on the firm’s behalf. Spartan even permitted one representative to excessively trade in client accounts after FINRA Enforcement filed a churning complaint against him, and until he was barred.

3. From January 1, 2018, to April 30, 2022 (the “relevant period”), Respondent Spartan Capital Securities, LLC (“Spartan”)—acting through Respondents James Pecoraro, John Stapleton, and Michael Darvish (collectively, the “Respondent Representatives”), and through 36 non-respondent Spartan Representatives, all but one of whom FINRA has already barred or otherwise disciplined (collectively with the Respondent Representatives, the “Spartan Representatives”)—excessively traded 114 customer accounts, 35 of which were churned. The trading in the 114 customer accounts, which included 53 accounts belonging to senior customers, resulted in cost-to-equity ratios ranging from approximately 16% to 491%, and turnover rates ranging from 5 to 184.¹

4. This misconduct included churning and excessive trading after the June 30, 2020 effective date of Regulation Best Interest (“Reg BI”). Between Reg BI’s effective date and the end of the relevant period, Spartan excessively traded 92 retail customer accounts, many of

¹ Unless otherwise stated, cost-to-equity ratios and turnover rates are annualized where the trading at issue lasted 12 months or more. In this Complaint, senior customers refer to customers who were at least 65 years old when the first trade at issue occurred.

which were churned. Spartan's post-Reg BI churning and excessive trading of these customers' accounts resulted in nearly \$7 million in total trading costs and nearly \$6 million in total losses.

5. By churning customer accounts, Spartan, Pecoraro, and Stapleton willfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and violated FINRA Rules 2020 and 2010 [**First Cause of Action**]. By excessively trading customer accounts, Spartan and the Respondent Representatives willfully violated Reg BI (for conduct on or after June 30, 2020), Spartan, Pecoraro, and Darvish violated FINRA Rule 2111 (for conduct before June 30, 2020 and for conduct after June 30, 2020, with respect to two non-retail customers' accounts),² and Spartan and the Respondent Representatives violated FINRA Rule 2010 [**Second and Third Causes of Action**].

6. Spartan allowed the Spartan Representatives to churn and excessively trade customer accounts despite glaring red flags that those representatives were committing misconduct and harming customers. During the relevant period, Spartan, Respondent Kim Monchik (the firm's Chief Administrative Officer ("CAO") and periodic Chief Compliance Officer ("CCO")) and Respondent Frederick Joseph Cammarano III (the firm's Regional Branch Manager and direct supervisor of many of the Spartan Representatives) ignored numerous red flags of excessive trading and churning in hundreds of Spartan customer accounts, including: (i) large trading volumes; (ii) high losses; (iii) cost-to-equity ratios over 20%; (iv) turnover rates greater than six; (v) in-and-out trading; (vi) frequent use of margin; (vii) notifications from FINRA that the firm's representatives were excessively trading their customers' accounts and that the firm's supervision of those representatives was unreasonable; (viii) representatives who

² FINRA Rule 2111 was amended effective June 30, 2020. The pre-June 30, 2020 version of FINRA Rule 2111 is applicable to the conduct at issue prior to June 30, 2020, and the amended version of FINRA Rule 2111 is applicable with respect to two non-retail customers, Customers 8 and 14, with trading after June 30, 2020.

were experiencing significant financial pressures and were the subject of customer complaints; and (ix) accounts and representatives appearing on active account exception reports month after month.

7. By failing to reasonably supervise the trading in customer accounts—including failing to supervise churning in violation of Section 10(b) and Rule 10b-5—and by failing to reasonably investigate and address red flags of excessive trading and churning, Spartan, Monchik, and Cammarano violated FINRA Rules 3110 and 2010 [**Fourth Cause of Action**].

RESPONDENTS AND JURISDICTION

Respondent Spartan

8. Spartan has been a FINRA member since July 2008.

9. Currently, Spartan has approximately 80 registered representatives working out of three branch locations—Spartan’s New York City headquarters, Garden City, NY, and Ronkonkoma, NY.

10. During the relevant period, Spartan was an introducing broker-dealer that generated about half of its revenues from commissions.

11. Because Spartan is currently a FINRA member, Spartan is subject to FINRA’s jurisdiction.

Respondent Monchik

12. Monchik first became registered with FINRA in April 2000 as a General Securities Representative (“GS”).

13. Since July 2008, Monchik has been registered with FINRA as a GS and a General Securities Principal (“GP”) through Spartan. Since April 2010, Monchik has been registered with FINRA in additional capacities through her association with Spartan, including as an Investment

Banking Representative in April 2010; as an Operations Professional (“OS”) in October 2011; as a Securities Trader in January 2016; and as an Investment Banking Principal in October 2018.

14. Since 2015, Monchik has served as Spartan’s CAO.

15. Monchik also served as the CCO at Spartan from July 2019 to December 2019, and again from July 2020 to December 2021.

16. During the portions of the relevant period in which she did not serve as CCO, Monchik served as CAO, and Spartan’s then-CCOs reported to her.

17. In addition to serving as CCO and CAO, Monchik was designated in Spartan’s written supervisory procedures (“WSPs”) as responsible for “Trading” from the start of the relevant period until February 1, 2019.

18. During the relevant period, Monchik had supervisory authority for trading activity by the firm’s registered representatives, including the churning and excessive trading alleged in this Complaint.

19. Because Monchik is currently registered with FINRA, she is subject to FINRA’s jurisdiction.

Respondent Cammarano

20. Cammarano first became registered with FINRA as a GS through his association with a member firm in 1999. Between 1999 and 2013, Cammarano was registered through eight FINRA member firms.

21. From November 2013 to December 31, 2024, Cammarano was registered with FINRA, including as a GS, GP, and OS through his association with Spartan.

22. During the relevant period, Cammarano served as the Branch Manager for Spartan’s New York City office.

23. During the relevant period, Cammarano also served as Spartan's Regional Branch Manager and was responsible for supervising the branch managers for Spartan's other branch offices.

24. In addition, during the relevant period, Cammarano was designated in Spartan's WSPs as Head of Retail; from November 1, 2018, through the end of the relevant period, as responsible for "Trading"; and, from February 1, 2019, through the end of the relevant period, as responsible for "Trading Supervision."

25. As Branch Manager for Spartan's New York City office, Cammarano was responsible for supervising the Spartan representatives in the New York City office, including 25 of the 36 non-respondent Spartan Representatives. As Regional Branch Manager and Head of Retail, Cammarano was (directly or indirectly) responsible for supervising the trading activity of all of the Spartan representatives referenced in the Complaint. Cammarano reported to Monchik throughout the relevant period.

26. Although Cammarano 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 31, 2024, which was the effective date of termination of Cammarano's registration with Spartan, and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

Respondent Pecoraro

27. Pecoraro first became registered with FINRA as a GS through his association with a member firm in 1999. Between 1999 and 2019, Pecoraro was registered through nine FINRA member firms. Pecoraro has been registered through Spartan as a GS since November 2019.

28. Because Pecoraro is currently registered with FINRA, he is subject to FINRA's jurisdiction.

Respondent Stapleton

29. Stapleton first became registered with FINRA as a GS through his association with a member firm in 1997. Between 1997 and 2015, Stapleton was registered through seven FINRA member firms. Stapleton has been registered through Spartan as a GS since November 2015.

30. Because Stapleton is currently registered with FINRA, he is subject to FINRA's jurisdiction.

Respondent Darvish

31. Darvish first became registered with FINRA as a GS through his association with a member firm in 1999. Between 1999 and 2017, Darvish was registered through four FINRA member firms. Darvish was registered through Spartan as a GS and GP from November 2017 through October 2024. Since September 2024, Darvish has been registered as a GS and GP through an association with two additional FINRA member firms.

32. Because Darvish is currently registered with FINRA, he is subject to FINRA's jurisdiction.

OTHER RELEVANT INDIVIDUALS

33. Since the beginning of the relevant period, in addition to the three Respondent Representatives named in this Complaint, FINRA has disciplined more than 35 individuals associated with Spartan for excessive trading or for failing to cooperate with FINRA's investigation into the same. *See* Appendix E, which is incorporated herein.

FACTS

Spartan's Business Depended on Excessively Trading Customer Accounts

34. During the relevant period, Spartan generated over \$46 million (approximately two-thirds of the firm's trading revenue and one-third of its overall revenue) from trading in customer accounts with cost-to-equity ratios of 20% or higher, a threshold that is generally indicative of excessive trading.

35. During the relevant period, Spartan routinely hired registered representatives with a history of customer complaints and regulatory inquiries into potential excessive and unsuitable trading of customer accounts. Often, the representatives also had a history of financial difficulties, including tax liens and judgments; several filed for bankruptcy while associated with Spartan.

36. Occasionally, Spartan placed representatives on heightened supervision. But, in practice, Spartan did not stop its representatives from continuing to churn and excessively trade customer accounts.

37. Throughout the relevant period, Spartan regularly charged both (1) an agency commission or principal markup on trades, and (2) an additional standard \$75 "service charge" per trade. The agency commission or principal markup was split between Spartan and its representatives (with typically around 75% of the commissions payable to the representatives). The "service charge," however, went exclusively to Spartan.

38. During the relevant period, Spartan also earned revenue based on margin interest charged to its customer accounts.

39. Throughout the relevant period, many Spartan representatives charged principal markups on buy transactions. This obfuscated the dollar amount of commissions on customer trade confirmations, which would show the per-share mark-up charged to the customer but not

the total dollar value of the resulting mark-up paid by the customer for the transaction. Those representatives would then charge agency commissions on sell transactions—for which the total dollar value of the commissions would show on customer trade confirmations. Those representatives frequently charged smaller, round number commissions on sell transactions, especially when customers took large losses from the trade. This practice misled some customers as to the amount of the commissions they were being charged—because their confirmations only showed the total commission amount on lower-commission agency transactions but did not show the total commission or commission equivalent amount on principal transactions with higher fees—and lulled them into inactivity.

40. Even when Spartan received complaints or regulatory inquiries regarding the excessive trading in customer accounts—and even when representatives were subject to disciplinary actions finding excessive trading or churning—Spartan continued to allow its representatives to excessively trade customer accounts.

41. As alleged below, Spartan facilitated excessive trading (and, in some instances, churning) of 114 accounts during the relevant period.

**Spartan and the Spartan Representatives
Churned and/or Excessively Traded Customer Accounts**

42. During the relevant period, Spartan, through the Spartan Representatives, excessively traded 114 customer accounts (including 53 belonging to senior customers), and churned 35 of those customer accounts (including 20 belonging to senior customers). The details regarding the trading in all 114 excessively traded customer accounts belonging to 110 customers are set forth in Appendix A, which is incorporated herein by reference.³

³ The trading details for each account set forth in Appendix A reflect all trades conducted in the accounts made by the Spartan Representative(s) who primarily traded the account. If the primary Spartan Representative(s) for the

43. The Spartan Representatives made a series of recommended trades to customers that were excessive, quantitatively unsuitable, and/or not in the customers' best interest, as evidenced by the high cost-to-equity ratios, high turnover rates, high total costs, frequent in-and-out trading, and in some cases large losses, as detailed in Appendix A.

44. Pecoraro, Stapleton, and Spartan Representatives 1-8, 10, 13, 17-19, 21-23, 25-26, 35, and 36, controlled the activity in the customer accounts they churned and/or excessively traded, as listed in Appendices A.1 – Churning and A.2 – Rule 2111. They made investment decisions on behalf of those customers, who routinely followed their recommendations, and they controlled the volume and frequency of the trading in the customer accounts. In many cases, they did not consult the customers before placing trades in their accounts.

45. The Spartan Representatives each made a series of recommended transactions to their respective customers for which they did not have a reasonable basis to believe the recommendations were suitable and not excessive, and (for the period on or after June 30, 2020) were in their retail customers' best interests, in light of the associated substantial commissions and costs, and the customers' investment profiles.

46. Pecoraro, Stapleton, and Spartan (acting through 12 of the Spartan Representatives) acted with scienter in recommending a series of transactions in the customer accounts of 35 customers, which are identified in Appendix A.1 – Churning. The representatives intentionally, or at least recklessly, recommended a series of transactions in each of their respective customer accounts in a way that placed their own and Spartan's pecuniary interests above their customers' interests. Specifically, they made recommendations in the customer

account opened a position during the relevant period that was ultimately closed out by a different representative, the closing transaction is also included in the trading details.

accounts with the intention of and for the purpose of generating profits for themselves and Spartan, and without the intention of serving their customers' interests.

47. To increase their commission revenue, many of the Spartan Representatives also engaged in short term in-and-out trading. Of the 114 excessively traded customer accounts, 51 had an average holding period of 30 days or less.

48. With the exception of two corporate accounts, all customers were individual retail investors. None of the customers' investment goals were served by the excessive trading of the Respondent Representatives and Respondent Spartan, acting through them and through Spartan Representatives 1 to 36.

49. While their investment profiles varied, none of the customers agreed that their accounts should have been traded in such a way that would deplete the accounts with little hope of making a profit. Spartan and the Spartan Representatives deliberately engaged in trading that resulted in unreasonably high trading costs that made it virtually impossible for the accounts to be profitable.

50. The trading in customer accounts 1-114 constituted a series of recommended transactions for which the Respondent Representatives and Respondent Spartan, acting through them and through Spartan Representatives 1 to 36, did not have a reasonable basis to believe was not excessive, suitable, and/or in the customers' best interests in light of the customers' investment profiles.

Respondent Pecoraro: Customers 1-8

51. Since November 2019, Pecoraro has been registered through Spartan and worked from Spartan's Garden City office.

52. On November 16, 2004, Pecoraro entered into a Stipulation and Consent with the Colorado Division of Securities to resolve allegations that included unsuitable trading, unauthorized trading, unfair and dishonest dealings, and securities fraud. Pecoraro's Colorado securities license was suspended for three years, and he agreed to pay \$15,900 to two investors.

53. On August 27, 2010, FINRA accepted an AWC finding that Pecoraro excessively traded a customer account at a prior member firm, in violation of NASD Conduct Rules 2310 and 2110. Pecoraro was suspended in all capacities for 30 days and fined \$10,000.

54. In 2022, FINRA accepted an AWC finding that Pecoraro (then associated with Spartan) had excessively traded three customer accounts at a prior member firm, in violation of FINRA Rules 2111 and 2010. Pecoraro was suspended in all capacities for nine months, fined \$10,000, and ordered to pay \$68,886 in restitution.

55. Since associating with Spartan, Pecoraro has been the subject of customer complaints regarding his trading in customer accounts at Spartan, including two arbitrations brought by his customers against Spartan alleging, among other things, excessive trading. One arbitration has settled, but the other is pending.

56. Pecoraro has been under significant financial pressure during his time at Spartan, including a still-pending federal tax lien. Pecoraro has also requested commission advances from Spartan frequently during his association with Spartan.

57. During the relevant period, Pecoraro excessively traded eight customer accounts (including four belonging to senior customers), two of which he churned (both belonging to senior customers).

58. As detailed in Appendix B, Pecoraro's excessive trading of the eight customer accounts resulted in cost-to-equity ratios ranging from approximately 53% to 169%, turnover

rates ranging from 8 to 22, total trading costs of over \$410,000, and total realized losses of over \$250,000.

59. For example, Pecoraro churned and excessively traded the account of Customer 7 beginning in June 2020, when Customer 7 was 72 years old. Customer 7, who resided in California, was the owner of a company that made products for the United States Navy. According to his Spartan new account form, Customer 7's annual income was \$70,000, his liquid net worth was \$300,000, his investment objective was "speculation," and he had a risk tolerance of "aggressive." Pecoraro effected 82 trades in Customer 7's account between June 2020 and April 2022, and, during that period, the account had an annualized cost-to-equity ratio of 66% and an annualized turnover rate of 11. Pecoraro generated total trading costs of over \$50,000, in an account with an average monthly equity of approximately \$40,000, and caused realized losses of approximately \$94,000. Pecoraro also engaged in in-and-out trading in this account. For example, one stock was bought or sold a total of seven times during a three-month period.

Respondent Stapleton: Customers 9 and 10

60. Since November 2015, Stapleton has been registered through Spartan and worked from Spartan's Garden City office.

61. At the time Stapleton joined Spartan, he had a disciplinary history related to unsuitable and fraudulent trading. Specifically, on March 16, 2006, an Order Accepting an Offer of Settlement was issued, finding that Stapleton violated Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5, NASD Rules 2120, 2310, 2860(b)(19), 2110, and IM-2310-2, by churning and excessively trading two customer accounts at a prior member firm. Stapleton consented to a suspension in all capacities for 60 business days, a \$10,000 fine, and restitution in the amount of \$104,073.05.

62. Stapleton also was the subject of numerous customer complaints regarding his trading in customer accounts prior to joining Spartan.

63. Stapleton continued to be the subject of many customer complaints regarding his trading in customer accounts after he joined Spartan, including twelve arbitrations brought by Stapleton's customers against Spartan or against Stapleton alleging, among other things, excessive trading. Spartan settled or the customers were awarded damages in four arbitrations. One arbitration remains pending.

64. Stapleton has been under significant financial pressure during his time at Spartan, including three tax liens, warrants, and judgments. Stapleton has requested commission advances from Spartan nearly every month during his association with Spartan. In January 2024, Stapleton filed a Chapter 7 bankruptcy petition.

65. During the relevant period, Stapleton churned and excessively traded two customer accounts (one of which belonged to a senior customer).

66. As detailed in Appendix C, Stapleton's excessive trading of two customer accounts resulted in cost-to-equity ratios of 20% and 30%, turnover rates between 9 and 10, total trading costs of over \$98,000, and total realized losses of over \$175,000.

67. For example, Stapleton churned and excessively traded the account of Customer 9 beginning in April 2020, when Customer 9 was 68 years old. Customer 9 was a retired business owner residing in Oklahoma. According to his Spartan new account form, Customer 9's annual income was \$250,000, his liquid net worth was \$1,000,000, his investment objective was "maximum growth," and he had an "aggressive" risk tolerance. Stapleton effected 117 trades, often on margin, in Customer 9's account between April 2020 and April 2022, resulting in an annualized cost-to-equity ratio of 30% and an annualized turnover rate of 10 during that period.

Stapleton generated total trading costs of approximately \$79,000, in an account with an average monthly equity of approximately \$124,000, and caused realized losses of approximately \$150,000. Stapleton also engaged in in-and-out trading in this account. For example, one stock was bought or sold a total of eight times during a one-month period.

Respondent Darvish: Customers 11-14

68. From November 2017 through October 2024, Darvish was registered through Spartan and supervised from Spartan's Garden City office.

69. Between June 30, 2020, and the end of the relevant period, Darvish excessively traded four customer accounts (including three belonging to senior customers).

70. As detailed in Appendix D, Darvish's excessive trading of the four customer accounts resulted in cost-to-equity ratios ranging from 16% to 55%, turnover rates ranging from 7 to 24, total trading costs of over \$565,000, and total realized losses of over \$390,000.

71. For example, Darvish excessively traded the account of Customer 12 beginning in 2020, when Customer 12 was 88 years old. Customer 12 was retired and residing in Connecticut. According to his Spartan new account form, Customer 12's annual income was \$75,000, his liquid net worth was \$150,000, his investment objective was "balanced" (defined as seeking a balance between capital appreciation and current income with the primary consideration being current income), and he had a "low" risk tolerance. Darvish effected 43 trades in Customer 12's account between June 30, 2020, and December 27, 2021. During that period, the account had an annualized cost-to-equity ratio of 23% and an annualized turnover rate of 10. Darvish generated total trading costs of over \$21,000, in an account with an average monthly equity of approximately \$59,000, and caused realized losses of over \$40,000.

Non-Respondent Barred Spartan Representatives

72. FINRA has also barred 16 former representatives of Spartan who churned and excessively traded customer accounts. (Spartan Representatives 1-16)

73. Spartan is liable for these representatives' excessive trading and churning.

74. Additional details concerning these representatives can be found in Appendix E, although details concerning Spartan Representatives 1-3 can be found below.

Spartan Representative 1: Customers 15-24

75. From May 2016 through March 2022, Spartan Representative 1 was registered through Spartan and worked from Spartan's New York City office.

76. On June 2, 2017, Spartan Representative 1 entered into an AWC with FINRA for violating: (i) NASD Rule 2510(b) and FINRA Rule 2010 by exercising discretion in three customers' accounts without written authorization from the customers and without his member firm's approval; and (ii) Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010 by failing to timely disclose on his Form U4 a federal tax lien. He consented to a three-month suspension and \$5,000 fine.

77. Spartan Representative 1 has been the subject of several customer complaints regarding his trading in customer accounts at Spartan, including four arbitrations brought against Spartan alleging, among other things, excessive trading, one of which resulted in a judgment against Spartan Representative 1 and two of which Spartan settled.

78. Spartan Representative 1 was under significant financial pressure during his time at Spartan. In December 2017, Spartan Representative 1 filed a Chapter 7 bankruptcy petition. Spartan Representative 1 frequently requested commission advances from Spartan during his association with Spartan.

79. During the relevant period, Spartan Representative 1 excessively traded ten customer accounts (including five belonging to senior customers), six of which he churned (including five belonging to senior customers).

80. As detailed in Appendix A, Spartan Representative 1's excessive and unsuitable trading of the ten customer accounts resulted in cost-to-equity ratios ranging from 35% to 491%, turnover rates ranging from 13 to 184, total trading costs of over \$630,000, and total realized losses of approximately \$680,000.

81. For example, Spartan Representative 1 churned and excessively traded the account of Customer 22 beginning in June 2019, when Customer 22 was 65 years old. Customer 22 was the owner of a digital printing company. According to his Spartan new account form, Customer 22's annual income was between \$200,000-\$299,999, his liquid net worth was \$1,000,000 to \$2,999,999, his investment objective was "speculation," and he had a "maximum" risk tolerance. Spartan Representative 1 effected 79 trades in Customer 22's account between June 2019 and October 2019, and, during that period, the account had a cost-to-equity ratio of 401% and a turnover rate of 101. Spartan Representative 1 generated total trading costs of approximately \$25,000, in an account with an average monthly equity of approximately \$6,200, and caused realized losses of approximately \$1,300.

82. On March 21, 2022, an Order Accepting an Offer of Settlement was issued, finding that Spartan Representative 1, among other things, churned and excessively traded the accounts of 19 customers between January 2017 and December 2019, and engaged in unauthorized trading in the accounts of six customers. As a result, Spartan Representative 1 was barred from any association with a FINRA member.

Spartan Representative 2: Customers 2, 6, 25-28

83. From November 2019 through October 2022, Spartan Representative 2 was registered through Spartan and worked from Spartan's Garden City office.

84. On February 3, 2016, Spartan Representative 2 entered into an AWC with FINRA for violating NASD Rule 2510(b) and FINRA Rule 2010 by exercising discretion in the accounts of two customers at a prior member firm without obtaining prior written authorization from the customers and without the approval of his member firm. Spartan Representative 2 consented to a suspension in all capacities for 10 business days and a \$5,000 fine.

85. On October 21, 2022, Spartan Representative 2 entered into another AWC with FINRA for violating FINRA Rules 2111 and 2010 by excessively trading four customer accounts at a prior member firm. Spartan Representative 2 consented to a suspension in all capacities for nine months, a fine of \$10,000, and an order to pay restitution totaling \$49,696, plus pre-judgment interest.

86. Spartan Representative 2 has been the subject of customer complaints regarding his trading in customer accounts at Spartan, including one settled arbitration brought against Spartan alleging, among other things, excessive trading.

87. Spartan Representative 2 was under significant financial pressure during his time at Spartan. Spartan Representative 2 frequently requested commission advances from Spartan during his association with Spartan.

88. During the relevant period, Spartan Representative 2 excessively traded six customer accounts (including four belonging to senior customers), three of which he churned (including two belonging to senior customers).

89. As detailed in Appendix A, Spartan Representative 2's excessive and unsuitable trading of the six customer accounts resulted in cost-to-equity ratios ranging from 72% to 338%, turnover rates ranging from 12 to 65, total trading costs of over \$388,000, and total realized losses of over \$230,000.⁴

90. For example, Spartan Representative 2 churned and excessively traded the account of Customer 27, when Customer 27 was 75 years old. Customer 27 was a retired postal worker and farmer residing in Iowa. According to his Spartan new account form, Customer 27's annual income was \$200,000, his liquid net worth was \$500,000, his investment objective was "speculation," and he had a risk tolerance of "speculation." Spartan Representative 2 effected 113 trades, often on margin, in Customer 27's account between November 2019 and December 2020. During that period, the account had an annualized cost-to-equity ratio of 283% and an annualized turnover rate of 60. Spartan Representative 2 generated total trading costs of approximately \$175,000, in an account with an average monthly equity of approximately \$53,000, and caused realized losses of approximately \$70,000. Spartan Representative 2 also engaged in in-and-out trading in this account. For example, one stock was bought or sold a total of thirteen times during a one-year period, with the sales all occurring shortly after the buys.

91. On August 23, 2024, a FINRA Hearing Officer issued a Default Decision finding that Spartan Representative 2 violated FINRA Rules 8210 and 2010 by failing to provide testimony and documents and information requested in connection with a FINRA investigation into his trading of customer accounts at Spartan. Spartan Representative 2 was barred from any association with a FINRA member.

⁴ Spartan Representative 2 and Spartan Respondent Representative James Pecoraro both recommended trades to two of the six customers. These trades were input under a joint representative code that Spartan Representative 2 shared with Spartan Respondent Representative James Pecoraro.

Spartan Representative 3: Customers 29-39

92. From July 2013 through December 2023, Spartan Representative 3 was registered through Spartan and worked from Spartan's New York City office.

93. Spartan Representative 3 has been the subject of several customer complaints regarding his trading in customer accounts at Spartan, including six arbitrations brought by Spartan Representative 3's customers against Spartan alleging, among other things, excessive trading, one of which settled, and one of which is currently pending.

94. During the relevant period, Spartan Representative 3 excessively traded 12 customer accounts (including two belonging to senior customers), nine of which he churned (including two belonging to a senior customer).

95. As detailed in Appendix A, Spartan Representative 3's excessive and unsuitable trading of the 12 customer accounts resulted in cost-to-equity ratios ranging from 23% to 111%, turnover rates ranging from 7 to 22, total trading costs of over \$715,000, and total realized losses of over \$500,000.⁵

96. For example, Spartan Representative 3 churned and excessively traded the account of Customer 37 beginning in January 2018, when Customer 37 was 66 years old. Customer 37 was a safety executive at an insurance company and resided in Louisiana. According to his Spartan new account form, Customer 37's annual income was between \$100,000 and \$199,999, his liquid net worth was between \$100,000 and \$249,999, his investment objective was "aggressive growth/aggressive income," and he had a "moderate" risk tolerance. Spartan Representative 3 effected 161 trades, often on margin, in Customer 37's

⁵ Spartan Representative 3 and Spartan Representative 4 both recommended trades to three of the 12 customers. These trades were input under a joint representative code that Spartan Representative 3 shared with Spartan Representative 4.

account between January 2018 and April 2022. During that period, the account had an annualized cost-to-equity ratio of 57% and an annualized turnover rate of 10. Spartan Representative 3 generated total trading costs of over \$110,000, in an account with an average monthly equity of approximately \$45,000, and caused realized losses of over \$30,000. Spartan Representative 3 also engaged in in-and-out trading in this account.

97. Another example is Spartan Representative 3's churning and excessive trading of the account of Customer 29 beginning in January 2021. Customer 29 owns a metal fabrications business and resides in Florida. According to his Spartan new account form, Customer 29's annual income was \$250,000, his liquid net worth was \$3 million, his investment objective was "speculation," and he had a "speculative" risk tolerance. However, Customer 29's actual investment goal was to save for retirement, and he had a moderate risk tolerance. Due to the poor performance of his Spartan account, he is now unable to retire within his expected timeframe. Spartan Representative 3 effected 83 trades in Customer 29's account between January 2021 and April 2022, and, during that period, the account had an annualized cost-to-equity ratio of 111% and an annualized turnover rate of 22. Spartan Representative 3 generated total trading costs of approximately \$75,000, in an account with an average monthly equity of approximately \$50,000, and caused realized losses of approximately \$107,000.

98. On November 10, 2025, FINRA accepted an AWC finding that Spartan Representative 3 violated FINRA Rules 8210 and 2010 for failing to cooperate with a FINRA request for information and documents related to an investigation into Representative 3's excessive trading of customer accounts at Spartan. Spartan Representative 3 was barred from any association with any FINRA member in all capacities.

Other Non-Respondent Spartan Representatives

99. Moreover, in addition to the former representatives of Spartan who FINRA has barred, FINRA has disciplined 18 current and former representatives of Spartan who, during the relevant period, excessively traded customer accounts (Spartan Representatives 17-34).

100. FINRA has also brought a pending complaint against one additional former registered representative (Spartan Representative 35) alleging that Spartan Representative 35 violated FINRA Rules 8210 and 2010 by failing to provide testimony requested in connection with a FINRA investigation into his trading of customer accounts at Spartan. An additional former registered representative (Spartan Representative 36) died during the course of FINRA's investigation into his trading of customer accounts at Spartan. Spartan Representatives 35 and 36 also excessively traded customer accounts during the relevant period.

101. Spartan is liable for Spartan Representatives 17-36's excessive trading.

102. Additional details concerning these representatives can be found in Appendix E, although details concerning Spartan Representative 17 and Spartan Representative 18 can be found below.

Spartan Representative 17: Customers 69-72

103. Since August 2017, Spartan Representative 17 has been registered through Spartan and supervised from Spartan's New York office.

104. Spartan Representative 17 has been the subject of several customer complaints regarding his trading in customer accounts at Spartan, including seven arbitrations brought against Spartan alleging, among other things, excessive trading by customers of Spartan Representative 17, four of which Spartan settled.

105. Spartan Representative 17 was also the subject of numerous reported customer complaints regarding his trading in customer accounts prior to joining Spartan.

106. During the relevant period, Spartan Representative 17 was under significant financial pressure. Spartan Representative 17 was the subject of two tax liens or warrants and judgments filed against him during his association with Spartan. Spartan Representative 17 also requested commission advances from Spartan during the relevant period.

107. During the relevant period, Spartan Representative 17 excessively traded four customer accounts (including two belonging to senior customers).

108. As detailed in Appendix A, Spartan Representative 17's excessive and unsuitable trading of the four customer accounts resulted in cost-to-equity ratios ranging from 35% to 71%, turnover rates ranging from 9 to 21, total trading costs of over \$550,000, and total realized losses of over 370,000.

109. For example, Spartan Representative 17 excessively traded the account of Customer 71 beginning in January 2018, when Customer 71 was 74 years old. Customer 71 was a farmer residing in Ohio. According to his Spartan new account form, Customer 71's annual income was between \$100,000 and \$199,999, his liquid net worth was between \$250,000 and \$499,999, his investment objective was "speculation," and he had a "maximum" risk tolerance. Spartan Representative 17 effected 90 trades in Customer 71's account between January 2018 and March 2020, and, during that period, the account had an annualized cost-to-equity ratio of 66% and an annualized turnover rate of 21. Spartan Representative 17 generated total trading costs of over \$154,000, in an account with an average monthly equity of approximately \$104,000, and caused realized losses of over \$175,000. Spartan Representative 17 also engaged

in in-and-out trading in this account. For example, one stock was bought or sold a total of six times during a ten-month period, with the three sales occurring shortly after the three buys.

110. On May 8, 2025, FINRA accepted an AWC finding that Spartan Representative 17 excessively traded the Spartan accounts of two customers, in violation of FINRA Rule 2111 (for the period before June 30, 2020) and Reg BI (for the period beginning June 30, 2020) and FINRA Rule 2010. Spartan Representative 17 was suspended for six months, fined \$5,000, and ordered to pay partial restitution of \$55,770 plus interest.

Spartan Representative 18: Customers 73-75

111. From August 2017 through November 2022, Spartan Representative 18 was registered through Spartan and worked from Spartan's New York City office.

112. Spartan Representative 18 has been the subject of several customer complaints regarding his trading in customer accounts at Spartan, including two arbitrations brought against Spartan alleging, among other things, excessive trading by customers of Spartan Representative 18, both of which Spartan settled.

113. During the relevant period, Spartan Representative 18 excessively traded three customer accounts (all belonging to senior customers).

114. As detailed in Appendix A, Spartan Representative 18's excessive and unsuitable trading of the three customer accounts resulted in cost-to-equity ratios ranging from 39% to 117%, turnover rates ranging from 9 to 29, total trading costs of over \$220,000, and total realized losses of over \$170,000.

115. For example, Spartan Representative 18 excessively traded the account of Customer 75 beginning in July 2020, when Customer 75 was 66 years old. Customer 75 was a lawyer residing in Tennessee. According to his Spartan new account form, Customer 75's annual

income was between \$200,000 and \$299,999, his liquid net worth was between \$1,000,000 and \$2,999,999, his investment objective was “speculation,” and he had a “maximum” risk tolerance. Between July 2020 and March 2022, Spartan Representative 18 effected 65 trades in Customer 75’s account, and during that period, the account had an annualized cost-to-equity ratio of 39% and an annualized turnover rate of 9. Spartan Representative 18 generated total trading costs of approximately \$82,000, in an account with an average monthly equity of approximately \$122,000, and caused realized losses of approximately \$60,000. Spartan Representative 18 also engaged in in-and-out trading in this account. For example, one stock was bought or sold a total of seven times during a five-month period, with the sales occurring shortly after the buys.

116. On May 8, 2025, FINRA accepted an AWC finding that Spartan Representative 18 excessively traded the Spartan accounts of two customers, in violation of FINRA Rule 2111 (for the period before June 30, 2020) and Reg BI (for the period beginning June 30, 2020) and FINRA Rule 2010. Spartan Representative 18 was suspended for five months, fined \$5,000, and ordered to pay restitution of \$60,975 plus interest.

Respondent Spartan: Customers: 1-110

117. Overall, during the relevant period, Spartan, acting through the Respondent Representatives and Spartan Representatives 1 to 36, excessively traded 114 customer accounts (including 53 belonging to senior customers), 35 of which were churned (20 belonging to senior customers). The details regarding the trading in these accounts are set forth in Appendix A, which is incorporated herein by reference.

118. Spartan gave the Respondent Representatives and Spartan Representatives 1 to 36 actual authority to solicit customers, make recommendations to customers, solicit securities transactions from customers, and engage in the trading at issue. Spartan ratified their actions by

establishing and maintaining Spartan accounts for the customers at issue, by entering the trades and charges in the firm's books and records, and by failing to restrict trading when the frequency of trades or trading costs became excessive for Spartan's customers. In addition, Spartan was the direct beneficiary of the commissions, margin interest, and other charges incurred by the customers for the trading conducted in their accounts by the Respondent Representatives and Spartan Representatives 1 to 36. Spartan then paid a portion of these commissions to its registered representatives, including the Respondent Representatives.

119. All actions of the Respondent Representatives and Spartan Representatives 1 to 36 were within the scope of their employment with Spartan, within the scope of their actual authority to bind Spartan, and ratified by Spartan. Spartan is liable for the churning and excessive trading of the Respondent Representatives and Spartan Representatives 1 to 36 both directly and indirectly.

**Spartan, Monchik, and Cammarano Ignored
Red Flags Regarding Excessive Trading and Churning**

120. During the relevant period, Spartan, Monchik, and Cammarano were aware of but failed to reasonably respond to numerous red flags of excessive trading and churning.

121. During the relevant period, Spartan's WSPs required supervisors to review a daily trade blotter and a monthly exception report that identified "active" accounts, which were accounts that had a certain number of transactions in the prior month. Spartan and Monchik also utilized a monthly branch manager checklist meant to summarize the reviews conducted by branch managers each month, with the checklists and attachments to be forwarded to compliance. The checklists referred to the monthly active account exception reports and attached the "activity letters" to be sent to customers each month.

122. During the relevant period, there were over 1,200 accounts at Spartan that exhibited indicia of excessive trading in that their annualized cost-to-equity ratios were 20% or higher, including as high as 491%, and annualized turnover rates as high as 184. During the relevant period, those accounts incurred trading costs of over \$46 million, including more than \$41 million in commissions, and realized losses totaling over \$23 million.

123. In addition to the high number of accounts with annualized cost-to-equity ratios above 20% and turnover rates over six, Spartan, Monchik, and Cammarano were aware of numerous other red flags indicating that representatives at Spartan were engaged in trading that was potentially excessive and unsuitable, including:

- a. large trading volumes;
- b. high losses;
- c. high trading costs;
- d. in-and-out trading;
- e. frequent use of margin;
- f. a deceptive mix of higher-cost riskless principal and lower-cost agency trades;
- g. representatives who were experiencing significant financial pressures, had extensive disciplinary histories, and were the subject of customer complaints and arbitrations;
- h. accounts and representatives appearing on active account exception reports month after month; and
- i. FINRA inquiries, examination findings, and disciplinary actions concerning excessive trading and churning.

124. Throughout the relevant period, Monchik was aware of the trading activity being conducted in customer accounts but failed to stop the activity.

125. Monchik was also aware of the commissions generated by Spartan and its representatives each month.

126. Monchik was also aware of the financial pressures affecting many of the Spartan Representatives.

127. Monchik was also aware that many of the Spartan Representatives had extensive regulatory histories and were the subject of numerous customer complaints and arbitrations, including disciplinary actions and customer complaints alleging excessive trading, churning, and/or suitability violations.

128. Monchik nevertheless attempted to protect at least one registered representative from excessive trading complaints by permitting the use of a revised Spartan activity letter to obstruct customers' ability to cooperate with regulators such as FINRA.

129. For example, activity letters sent to certain customers stated:

In the event, FINRA would like to use my account to establish that Mr. Pecoraro has violated some rule regarding the suitability of the trades for me[,] I will object to using my personal information in connection with any purported violations.

130. Cammarano was also aware of the potentially excessive and unsuitable trading activity being conducted in, and commissions charged to, customer accounts during the relevant period, including through his direct supervision of the representatives in the New York City branch, his supervision of the other branch managers, his review of the daily trade blotter and active account exception reports, and the account reviews he conducted as part of the branch manager monthly checklist process.

131. Spartan, Monchik, and Cammarano were also aware of FINRA examinations that flagged that the Spartan Representatives may be engaged in excessive and unsuitable trading in their customers' accounts, and that Spartan's supervisory system, including its WSPs, was not reasonably designed to monitor or prevent excessive trading.

132. On May 31, 2019, FINRA issued a 2018 cycle examination report to Spartan (the “2018 Exam Report”), which identified that at least eight registered representatives (including Stapleton and four of the Spartan Representatives) excessively traded their customers’ accounts from July 2017 to June 2018. The 2018 Exam Report also identified several deficiencies in the firm’s supervisory system and WSPs related to active trading, and found that Spartan failed to adequately supervise trading activity in 38 customer accounts that had indicia of excessive trading.

133. Nevertheless, over the next 15 months, Stapleton and the four Spartan Representatives identified in the 2018 Exam Report continued to excessively trade customer accounts. During that period, those five representatives’ trading resulted in more than 50 customer accounts exceeding the traditional excessive trading benchmark of cost-to-equity ratios of 20% (and even up to 170%). The total trading costs in those accounts exceeded \$1.6 million, and total realized losses exceeded \$1.7 million.

134. On August 31, 2020, FINRA issued a 2019 cycle examination report to Spartan (the “2019 Exam Report”), which again identified widespread excessive trading and supervisory deficiencies at Spartan.

135. The 2019 Exam Report identified that from August 2018 through August 2019, six different Spartan registered representatives (including five of the Spartan Representatives) engaged in excessive and/or unsuitable trading, and that the firm still failed to design and implement adequate supervisory controls related to that trading.

136. Nevertheless, from September 1, 2020, to April 30, 2022, the trading by Stapleton and the nine Spartan Representatives identified in the 2018 and 2019 Exam Reports resulted in substantial customer harm, causing cost-to-equity ratios ranging from 20% to 306%, turnover

rates as high as 72, total trading costs of \$2.8 million, and total realized losses of \$1.6 million in 56 customer accounts (many of which are at issue in this Complaint).

137. Spartan, Monchik, and Cammarano also ignored red flags that came to their attention through their heightened supervision of 14 of the Spartan Representatives, which included Pecoraro and Stapleton. The heightened supervision plans for these registered representatives typically required a supervisor to conduct a daily trade review and call customers, among other things.

138. For example, in May 2016 Spartan, Monchik, and Cammarano placed Spartan Representative 1 under heightened supervision due to his regulatory history and customer complaints alleging unauthorized trading. In October 2017, Cammarano signed an amended heightened supervision plan for Spartan Representative 1, which identified that Spartan Representative 1 entered into an AWC with FINRA on June 2, 2017, for exercising discretion in three customers' accounts without written authorization and for failing to timely disclose a \$575,101 federal tax lien.

139. While Spartan Representative 1 was under heightened supervision, which lasted until he was barred in March 2022, Spartan, Monchik, and Cammarano became aware that he was under financial pressure. Monchik filed a Form U4 amendment for Spartan Representative 1 disclosing that he filed for bankruptcy in December 2017. Monchik was also aware that Spartan Representative 1 requested commission advances nearly every month since joining the firm. In total, Spartan Representative 1 requested over \$400,000 in commission advances during the relevant period.

140. While under heightened supervision during the relevant period, as discussed above, Spartan Representative 1 excessively traded ten customers' accounts, six of which he also

churned, resulting in cost-to-equity ratios ranging from 35% to 491%, turnover rates ranging from 13 to 184, total trading costs of over \$630,000, and total realized losses of approximately \$680,000.

141. During the relevant period, Spartan, Monchik, and Cammarano also became aware of regulatory inquiries that suggested Spartan Representative 1 was excessively trading and churning his customers' accounts.

142. On June 15, 2020, Enforcement issued a notice to Spartan Representative 1 ("Wells Notice") notifying him of FINRA's preliminary determination to recommend disciplinary action related to his unauthorized trading in four Spartan customer accounts and his failure to disclose customer complaints and tax liens. FINRA sent a copy of that Wells notice to Spartan.

143. On October 29, 2020, Enforcement issued a second Wells Notice to Spartan Representative 1 related to his unsuitable trading, excessive trading, churning, and unauthorized trading in additional Spartan customer accounts. FINRA sent a copy of that Wells notice to Spartan.

144. On April 29, 2021, Enforcement issued a third Wells Notice to Spartan Representative 1 related to his charging of unfair and excessive commissions in Spartan customer accounts. FINRA sent a copy of that Wells notice to Spartan.

145. Spartan filed a Form U4 amendment for Spartan Representative 1 following each Wells Notice.

146. On June 15, 2021, Enforcement filed a disciplinary complaint against Spartan Representative 1, charging him with unsuitable trading, excessive trading, churning, unauthorized trading, excessive commissions, and disclosure failures. FINRA sent a copy of that

complaint notice to Spartan.

147. On March 21, 2022, Spartan Representative 1 entered into an offer of settlement with FINRA and consented to a bar from any association with a FINRA member.

148. Spartan, Monchik, and Cammarano allowed Spartan Representative 1 to continue to churn and excessively trade customer accounts, and cause harm to his customers, until days before his FINRA bar became effective.

- a. From October 29, 2020—when the Department of Enforcement issued its second Wells Notice to Spartan Representative 1 related to his excessive and unsuitable trading—to March 21, 2022—when Spartan Representative 1 consented to a bar from any association with a FINRA member—Spartan Representative 1 excessively traded many customer accounts at issue in this Complaint. For example, his trading of five of those accounts during that period resulted in annualized cost-to-equity ratios ranging from 32% to 133%, annualized turnover rates ranging from 11 to 30, total trading costs of over \$398,000, and total realized losses of approximately \$482,000.
- b. From June 15, 2021—the date the Department of Enforcement filed its disciplinary complaint against Spartan Representative 1—to March 21, 2022, Spartan Representative 1’s excessive trading of those same five customer accounts resulted in annualized cost-to-equity ratios ranging from 36% to 264%.

149. In another example, in January 2020 Spartan, Monchik, and Cammarano placed Pecoraro under heightened supervision due to his regulatory history. Pecoraro had an extensive regulatory history, including at least ten customer complaints and arbitrations that included,

among other things, allegations that Pecoraro churned customers' accounts, as well as five regulatory actions initiated by FINRA and/or state regulators, including a FINRA AWC in 2010 for excessively trading a customer's account. The heightened supervision plan required that a supervisor review and approve Pecoraro's trades on a daily basis for, among other things, active trading.

150. Nonetheless, during the relevant period, Pecoraro's trading triggered at least 111 alerts on the firm's active account exception report because it exhibited indicia of excessive trading.

151. Pecoraro remained under heightened supervision until September 2021. While under heightened supervision, Pecoraro excessively traded eight customer accounts at issue in this Complaint, resulting in cost-to-equity ratios ranging from 53% to 167%, turnover rates ranging from 8 to 27, total trading costs of approximately \$440,000, and total realized losses of approximately \$340,000. Despite the high cost-to-equity ratios and turnover rates in Pecoraro's accounts, he was removed from heightened suspension in September 2021.

152. Spartan, Monchik, and Cammarano took no meaningful steps to investigate or address the red flags of excessive trading and churning engaged in by Spartan's representatives throughout the relevant period.

153. The failure of Spartan, Monchik, and Cammarano to reasonably supervise and respond to these red flags facilitated the Spartan Representatives' churning and excessive trading and allowed that misconduct—and the resulting customer harm—to continue unabated.

FIRST CAUSE OF ACTION
Churning
(Willful Violations of Section 10(b) of the Exchange Act and
Exchange Act Rule 10b-5; Violations of FINRA Rules 2020 and 2010)
(Respondents Spartan, Pecoraro, and Stapleton)

154. The Department of Enforcement realleges and incorporates by reference paragraphs 1-153.

155. Section 10(b) of the Exchange Act prohibits the use of any manipulative or deceptive device or contrivance in connection with the purchase or sale of a security.

156. Exchange Act Rule 10b-5, in relevant part, provides that it shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange, to employ any device, scheme, or artifice to defraud...or to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.

157. FINRA Rule 2020 provides that no member “shall effect any transaction in, or induce the purchase or sale of, any security by means of any manipulative, deceptive or other fraudulent device or contrivance.”

158. FINRA Rule 2010 requires that member firms and associated persons, in the conduct of their business, shall observe high standards of commercial honor and just and equitable principles of trade.

159. A violation of Section 10(b) of the Exchange Act, Exchange Act Rule 10b-5, or FINRA Rule 2020 is also a violation of FINRA Rule 2010.

160. Churning is fraudulent conduct that occurs when: (a) a broker controls or exercises de facto control over his customer’s account; (b) the trading in the account is excessive

in light of the customer's investment profile; and (c) the broker acts with scienter, *i.e.*, with intent to defraud or with reckless disregard of the customer's interests.

161. Churning is a manipulative or deceptive device or contrivance that violates Section 10(b) of the Exchange Act, Exchange Act Rule 10b-5, FINRA Rule 2020, and FINRA Rule 2010.

162. Pecoraro, Stapleton, and Spartan, acting through them and through Spartan Representatives 1-8, 10, 13, 35, and 36, exercised de facto control over the trading in the customer accounts listed in Appendix A.1 – Churning. They controlled the volume and frequency of trading in the accounts, decided what securities to buy and sell, the quantity of each transaction, and the timing of each transaction. These customers relied on these Respondents to make recommendations and routinely followed the recommendations.

163. The trading at issue was accomplished by the use or means of interstate commerce and involved transactions in securities listed on national securities exchanges.

164. As reflected in the trading in Appendix A.1 – Churning, the trading in the customer accounts was excessive for each of the customers based on their investment profiles, as evidenced by, for example, the high cost-to-equity ratios and turnover rates, the frequency of the transactions, in-and-out trading, and the transaction costs incurred.

165. Pecoraro, Stapleton, and Spartan, acting through them and Spartan Representatives 1-8, 10, 13, 35, and 36, acted with scienter. In churning customer accounts, these Respondent Representatives and Spartan, acting through them and Spartan Representatives 1-8, 10, 13, 35, and 36, acted with intent to defraud, or at a minimum, with reckless disregard of the interests of the customers in Appendix A.1 – Churning.

166. Accordingly, Spartan, Pecoraro, and Stapleton churned the customer accounts

listed in Appendix A.1 – Churning.

167. As a result of the foregoing conduct, Spartan, Pecoraro, and Stapleton, willfully violated Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5, and they also violated FINRA Rules 2020 and 2010.

**SECOND CAUSE OF ACTION
Excessive Trading/Quantitative Unsuitability
(Violations of FINRA Rules 2111 and 2010)
(Respondents Spartan, Pecoraro, and Darvish)**

168. The Department of Enforcement re-alleges and incorporates by reference paragraphs 1-153.

169. During the relevant period, FINRA Rule 2111 required an associated person to “have a reasonable basis to believe that a recommended transaction or investment strategy involving a security or securities is suitable for the customer, based on the information obtained through the reasonable diligence of the member or associated person to ascertain the customer’s investment profile.”

170. During the relevant period, Supplementary Material 2111.05(c) required that an associated person “have a reasonable basis for believing that a series of recommended transactions, 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, as delineated in Rule 2111(a). Furthermore, “[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.”

171. Additionally, per former Supplementary Material 2111.05(c), which was in effect from May 1, 2014, through June 29, 2020, excessive trading occurs, and is unsuitable, when a

registered representative (a) has actual or de facto control over trading in the customer's account, and (b) the level of activity in that account is inconsistent with the customer's investment objectives, financial situation, and needs.

172. After June 30, 2020, while FINRA Rule 2111 continued to require members and associated persons to have a reasonable basis to believe that a recommended transaction or investment strategy involving a security or securities is suitable for the customer, Supplementary Material 2111.05(c) no longer contained the requirement that the member or associated person have "actual or de facto control" over the customer's account.

173. While Reg BI replaced Rule 2111's suitability obligation for recommendations to retail customers after June 30, 2020, Rule 2111 remained applicable to recommendations made to institutional accounts and in scenarios not covered by Reg BI.

174. A violation of FINRA Rule 2111 is also a violation of FINRA Rule 2010.

175. During the relevant period prior to June 30, 2020, Pecoraro and Spartan, acting through Pecoraro and Spartan Representatives 1-4, 7-8, 10, 13, 17-19, 21-23, 25-26, and 35-36, exercised de facto control over all the customer accounts listed in Appendix A.2 – Rule 2111, with the exception of Customer 14.

176. Pecoraro and Spartan, acting through Pecoraro and Spartan Representatives 1-4, 7-8, 10, 13, 17-19, 21-23, 25-26, and 35-36, controlled the volume and frequency of trading in the rest of the accounts listed in Appendix A.2 – Rule 2111, decided what securities to buy and sell in these accounts, the quantity of each transaction, and the timing of each transaction including the frequency of in-and-out trading. These customers relied on these Representatives to make recommendations and routinely followed those recommendations.

177. Trading in Customer 8's and Customer 14's account took place after June 30,

2020, and these accounts did not belong to a retail customer.

178. Pecoraro, Darvish, and Spartan, acting through Pecoraro, Darvish, and Spartan Representatives 1-4, 7-8, 10, 13, 17-19, 21-23, 25-26, and 35-36, engaged in trading in all the customer accounts listed in Appendix A.2 – Rule 2111 that was excessive and quantitatively unsuitable in light of the customers’ investment profiles, as evidenced by the high cost-to-equity ratios and turnover rates, the frequency of the transactions, and the transaction costs incurred.

179. By reason of the foregoing, Spartan, Pecoraro, and Darvish recommended trading that was excessive and unsuitable in violation of FINRA Rules 2111 and 2010.

THIRD CAUSE OF ACTION
Excessive Trading
(Willful Violations of Exchange Act Rule 15/-1 Regulation Best Interest and
Violations of FINRA Rule 2010)
(Respondents Spartan, Pecoraro, Stapleton, and Darvish)

180. The Department of Enforcement realleges and incorporates by reference paragraphs 1-153.

181. Since June 30, 2020, broker-dealers and their associated persons have been required to comply with Reg BI under the Exchange Act. Reg BI’s General Obligation, set forth at Exchange Act Rule 15/-1(a)(1), requires a broker, dealer, or a natural person who is an associated person of a broker or dealer, when making a recommendation of any securities transaction or investment strategy involving securities (including account recommendations) to a retail customer, to act in the best interest of the retail customer at the time the recommendation is made, without placing the financial or other interest of the broker, dealer, or associated person making the recommendation ahead of the interest of the retail customer.

182. Reg BI defines a retail customer as a natural person, or the legal representative of such natural person, who receives a recommendation of any securities transaction or investment

strategy involving securities from a broker, dealer, or a natural person who is an associated person of a broker or dealer; and uses the recommendation primarily for personal, family, or household purposes.

183. Reg BI's Care Obligation, set forth at Exchange Act Rule 15c-1(a)(2)(ii), requires broker-dealers and their associated persons to exercise reasonable diligence, care, and skill to, among other things, have a reasonable basis to believe that a series of recommended transactions, even if in the retail customer's best interest when viewed in isolation, is not excessive and is in the retail customer's best interest when taken together in light of the retail customer's investment profile, and does not place the financial or other interest of the broker, dealer, or such natural person making the series of recommendations ahead of the interest of the retail customer. Failure to comply with the Care Obligation constitutes a violation of Reg BI's General Obligation.

184. Violations of Reg BI are also violations of FINRA Rule 2010.

185. As set out on Appendix A.3 – Reg BI, the Respondent Representatives and Spartan, acting through them and Spartan Representatives 1-6, 8-9, 11-12, 14-22, and 24-36, recommended a series of securities transactions to the customers listed in Appendix A.3 – Reg BI, each of whom are retail customers.

186. The Respondents failed to act in the best interest of the customers listed in Appendix A.3 – Reg BI at the time the recommendations were made. The recommended series of securities transactions were excessive and not in the best interest of the customers and placed the financial or other interests of Spartan and its representatives ahead of the customers' interests.

187. In addition, the Respondents failed to exercise reasonable diligence, care, and skill to have a reasonable basis to believe that the series of securities transactions recommended

to the customers listed in Appendix A.3 – Reg BI were not excessive; were in the customers’ best interests taken in light of their investment profile and the potential risks, rewards, and costs associated with the recommendations; and did not place Spartan’s or its representatives’ financial or other interests ahead of the customers’ interests.

188. As a result of the foregoing conduct, Spartan and the Respondent Representatives willfully violated Exchange Act Rule 15c-1(a)(1) and violated FINRA Rule 2010.

FOURTH CAUSE OF ACTION
Failure to Supervise
(Violations of FINRA Rules 3110 and 2010)
(Respondents Spartan, Monchik, and Cammarano)

189. The Department of Enforcement re-alleges and incorporates by reference paragraphs 1-153.

190. FINRA Rule 3110(a) requires that member firms “establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules.”

191. Rule 3110(a) also requires that a firm’s designated supervisors exercise reasonable supervision.

192. The duty to supervise under FINRA Rule 3110(a) also includes the responsibility to reasonably investigate red flags that suggest that misconduct may be occurring and to act upon the results of such investigation.

193. Violations of FINRA Rule 3110 also are violations of FINRA Rule 2010.

194. During the relevant period, Spartan, Monchik, and Cammarano had an obligation to reasonably investigate and follow up on red flags indicating that Spartan’s representatives were engaged in potentially excessive trading and churning.

195. Spartan, Monchik, and Cammarano were aware of multiple red flags indicating

that Spartan representatives were engaged in trading that was potentially excessive and unsuitable, including:

- a. The accounts exhibited large trading volumes;
- b. The accounts were often highly margined;
- c. There was frequent in-and-out trading;
- d. The cost-to-equity ratios were often significantly greater than 20%;
- e. The turnover rates were often significantly greater than six;
- f. The same representatives and customer accounts repeatedly appeared on exception reports;
- g. Customer accounts frequently exhibited large losses;
- h. The representatives engaged in the potentially excessive trading were experiencing financial pressures;
- i. FINRA inquiries, examination findings, and disciplinary actions involving excessive trading and churning;
- j. There was riskless principal trading and agency trading in the same accounts with higher cost trading executed on a riskless principal basis; and
- k. The trading was the subject of frequent customer complaints and arbitration claims.

196. Spartan, Monchik, and Cammarano failed to reasonably investigate and address the red flags of excessive trading and churning and failed to reasonably supervise the Respondent Representatives and Spartan Representatives 1-36, including Pecoraro's and Stapleton's, and Spartan Representatives 1-8, 10, 13, 35, and 36's willful violations of Section 10(b) of the Exchange Act.

197. By virtue of the foregoing, Spartan, Monchik, and Cammarano violated FINRA Rules 3110(a) and 2010.

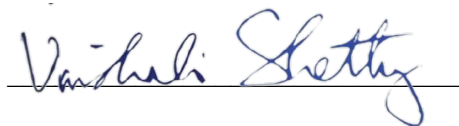
RELIEF REQUESTED

WHEREFORE, the Department of Enforcement respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondents 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 Respondents be required to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest;
- C. order that Respondents bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330;
- D. make specific findings that Spartan, Pecoraro, and Stapleton willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and that Spartan, Pecoraro, Stapleton, and Darvish willfully violated Regulation BI under the Exchange Act; and
- E. make specific findings that Spartan, Monchik, and Cammarano failed to reasonably supervise 14 Spartan Representatives (Pecoraro, Stapleton, and Spartan Representatives 1-8, 10, 13, 35, and 36,) who willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and failed to reasonably supervise 35 Spartan Representatives (Pecoraro, Stapleton, Darvish, and Spartan Representatives 1-6, 8-9, 11-12, 14-22, and 24-36) who willfully violated Regulation BI under the Exchange Act.

FINRA DEPARTMENT OF ENFORCEMENT

Date: December 15, 2025



Savvas Foukas
Senior Litigation Counsel
FINRA Department of Enforcement
581 Main Street, 7th Floor
Woodbridge, NJ 07095
Phone: 732-596-2557
E-mail: savvas.foukas@finra.org

Vaishali Shetty
Senior Counsel
FINRA Department of Enforcement
Two Jericho Plaza, Suite 307
Jericho, New York 11753
Phone: 516-827-6137
E-mail: vaishali.shetty@finra.org

Michael Dorfman-Gonzalez
Senior Counsel
Alyssa Braver
Counsel
FINRA Department of Enforcement
200 Liberty Street
Brookfield Place
New York, NY 10281
Phone: 212-858-4721(Michael)
Phone: 212-858-3919 (Alyssa)
E-mail: michael.dorfman-gonzalez@finra.org
E-mail: alyssa.braver@finra.org

Adam Balin
Director
FINRA Department of Enforcement
1601 Market Street, Suite 2700
Philadelphia, PA 19103
Phone: 212-858-4392
E-mail: adam.balin@finra.org

Appendix A

Customer Account Activity											*Customer Investment Profile Information According to Account Records*					
Customer	Account No.	Registered Representative(s)	First Trade	Last Trade	Total Trade Count	Average Account Equity	Total Trade Costs	Cost to Equity Ratio (annualized where >12 mos.)	Turnover Rate (annualized where >12 mos.)	Realized Profit/Loss	Year Born	Listed Annual Income	Listed Net Worth	Listed Risk Tolerance	Listed Inv. Objective	
1	*6886	Spartan Representative James Pecoraro	2020-10-29	2022-04-29	82	\$95,536	\$96,733	64%								
2	*5390	Spartan Representative James Pecoraro, Spartan Representative 2	2020-07-13	2022-03-24	15	\$6,959	\$20,547	169%								
3	*1650	Spartan Representative James Pecoraro	2020-10-30	2022-04-06	26	\$20,701	\$18,761	57%								
4	*9036	Spartan Representative James Pecoraro	2020-09-04	2022-04-22	53	\$37,183	\$43,512	70%								
5	*0718	Spartan Representative James Pecoraro	2020-09-17	2021-04-30	123	\$228,162	\$121,535	53%								
6	*4762	Spartan Representative James Pecoraro, Spartan Representative 2	2020-06-30	2021-02-03	81	\$52,156	\$37,802	72%								
7	*9905	Spartan Representative James Pecoraro	2020-06-24	2022-04-05	82	\$40,443	\$50,868	66%								
8	*9017	Spartan Representative James Pecoraro	2020-05-29	2021-12-02	39	\$13,797	\$21,573	94%								
9	*1484	Spartan Representative John Stapleton	2020-04-23	2022-04-12	117	\$124,765	\$79,065	30%								
10	*9871	Spartan Representative John Stapleton	2020-04-08	2022-02-17	33	\$51,246	\$19,245	20%								
11	*3320	Spartan Representative Michael Darvish	2021-01-12	2022-03-21	82	\$100,048	\$55,725	45%								
12	*7162	Spartan Representative Michael Darvish	2020-06-30	2021-12-27	43	\$59,146	\$21,819	23%								
13	*9472	Spartan Representative Michael Darvish	2020-06-30	2022-03-29	299	\$187,673	\$190,262	55%								
14	*9968	Spartan Representative Michael Darvish	2020-07-06	2022-04-27	401	\$996,802	\$298,580	16%								
15	*4035	Spartan Representative 1	2020-07-01	2022-03-16	376	\$431,177	\$261,171	35%								
16	*7020	Spartan Representative 1	2020-12-02	2021-08-12	104	\$32,349	\$43,164	133%								
17	*4435	Spartan Representative 1	2019-06-05	2022-03-15	270	\$121,389	\$122,868	36%								
18	*5213	Spartan Representative 1	2020-07-13	2022-03-17	252	\$30,787	\$77,590	144%								
19	*6156	Spartan Representative 1	2019-07-09	2020-03-02	69	\$3,701	\$18,174	491%								
20	*1629	Spartan Representative 1	2018-02-23	2019-02-11	66	\$12,962	\$21,468	153%								
21	*8427	Spartan Representative 1	2018-01-17	2019-01-03	49	\$14,790	\$13,974	94%								
22	*1341	Spartan Representative 1	2019-06-05	2019-10-03	79	\$6,255	\$25,062	401%								
23	*0044	Spartan Representative 1	2018-01-29	2019-01-09	42	\$6,273	\$7,169	114%								
24	*0964	Spartan Representative 1	2020-11-11	2022-03-16	102	\$42,474	\$42,383	70%								
25	*8376	Spartan Representative 2	2019-11-08	2021-08-04	86	\$15,440	\$95,610	338%								
26	*9157	Spartan Representative 2	2019-11-14	2021-12-16	45	\$9,905	\$39,129	182%								
27	*9837	Spartan Representative 2	2019-11-18	2020-12-23	113	\$53,177	\$175,786	283%								
28	*1951	Spartan Representative 2	2020-12-30	2021-07-26	16	\$16,587	\$19,217	116%								
29	*3060	Spartan Representative 3	2021-01-15	2022-04-27	83	\$51,023	\$75,401	111%								
30	*7545	Spartan Representative 3	2020-10-29	2022-02-01	54	\$79,885	\$77,505	68%								
31	*0024	Spartan Representative 3, Spartan Representative 4	2020-07-28	2021-04-29	11	\$28,641	\$6,724	23%								
32	*5855	Spartan Representative 4	2021-01-21	2022-01-28	23	\$77,623	\$34,164	41%								
33	*4976	Spartan Representative 3	2019-08-06	2022-01-31	45	\$48,715	\$30,859	26%								
34	*3028	Spartan Representative 3	2019-07-23	2022-03-10	39	\$12,065	\$16,643	53%								
35	*7040	Spartan Representative 3	2019-11-05	2022-03-10	44	\$14,803	\$19,934	56%								
36	*7050	Spartan Representative 3	2019-05-23	2021-09-30	167	\$150,776	\$150,052	41%								
36	*0089	Spartan Representative 3	2019-10-22	2021-06-30	157	\$144,895	\$125,541	50%								
37	*0926	Spartan Representative 3	2018-01-24	2022-04-22	161	\$45,653	\$111,896	57%								
38	*3799	Spartan Representative 3, Spartan Representative 4	2020-08-21	2022-03-10	64	\$62,036	\$54,346	53%								
39	*3936	Spartan Representative 3	2020-06-30	2021-12-02	33	\$14,924	\$12,152	51%								
40	*9928	Spartan Representative 4	2020-02-13	2021-05-11	42	\$37,482	\$30,318	61%								
41	*1963	Spartan Representative 4	2020-07-23	2022-03-31	47	\$119,637	\$72,732	35%								
42	*4398	Spartan Representative 4	2020-06-30	2021-08-05	33	\$26,338	\$25,337	77%								
43	*9201	Spartan Representative 4	2020-07-09	2022-03-31	188	\$675,504	\$416,927	35%								
44	*8447	Spartan Representative 4	2018-08-20	2021-08-05	194	\$357,615	\$264,792	25%								
45	*2106	Spartan Representative 4	2020-11-19	2021-12-14	22	\$38,883	\$16,251	36%								
46	*2695	Spartan Representative 4	2020-06-30	2022-03-10	31	\$69,695	\$49,309	39%								
47	*2496	Spartan Representative 4	2020-04-03	2021-12-28	54	\$301,526	\$206,308	39%								
48	*8349	Spartan Representative 5	2020-08-26	2021-10-29	34	\$23,885	\$17,324	58%								
49	*3087	Spartan Representative 5	2020-09-23	2021-10-05	51	\$26,088	\$27,784	91%								
50	*6017	Spartan Representative 5	2020-07-01	2021-08-30	34	\$28,849	\$24,041	71%								
51	*4803	Spartan Representative 5	2021-03-05	2021-11-23	32	\$92,318	\$19,880	22%								
52	*9588	Spartan Representative 5	2021-06-10	2021-11-29	31	\$13,469	\$8,336	62%								
53	*8070	Spartan Representative 6	2020-08-12	2021-04-23	100	\$64,093	\$41,902	65%								
54	*9842	Spartan Representative 6	2020-06-17	2021-04-23	111	\$23,525	\$41,124	175%								
55	*2029	Spartan Representative 6	2020-05-18	2021-05-28	216	\$134,682	\$102,033	70%								
56	*8504	Spartan Representative 6	2020-07-07	2021-04-30	52	\$29,766	\$21,346	72%								
57	*6597	Spartan Representative 7	2018-01-03	2020-03-13	120	\$109,835	\$99,980	40%								
58	*6027	Spartan Representative 8	2019-08-01	2021-08-13	67	\$45,370	\$99,111	105%								
59	*9741	Spartan Representative 9	2020-06-30	2022-04-27	365	\$450,280	\$346,467	40%								
60	*5548	Spartan Representative 10	2018-01-17	2019-02-20	50	\$10,823	\$25,511	218%								
61	*3605	Spartan Representative 11	2020-07-14	2022-01-27	28	\$25,812	\$14,162	35%								
62	*2758	Spartan Representative 12	2020-07-15	2021-05-28	72	\$105,702	\$143,135	135%								
63	*8349	Spartan Representative 13, Spartan Representative 7	2019-07-22	2020-07-28	138	\$76,257	\$126,442	153%								
64	*4507	Spartan Representative 14	2020-08-11	2022-01-12	30	\$20,811	\$14,116	45%								
65	*0783	Spartan Representative 15, Spartan Representative 16	2020-07-16	2021-02-09	64	\$100,829	\$76,071	75%								
66	*9475	Spartan Representative 16	2020-06-30	2022-03-30	29	\$5,585	\$7,848	77%								
67	*4015	Spartan Representative 16	2020-07-02	2022-04-29	259	\$433,995	\$333,963	42%								
68	*3706	Spartan Representative 16	2020-06-30	2022-04-26	163	\$106,976	\$116,091	57%								
69	*1562	Spartan Representative 17	2020-07-13	2022-03-03	61	\$129,756	\$89,350	39%								
70	*5111	Spartan Representative 17	2020-07-13	2022-04-28	39	\$91,426	\$59,440	35%								
71	*5468	Spartan Representative 17	2018-01-19	2020-03-18	90	\$104,784	\$154,848	66%								
72	*7993	Spartan Representative 17	2018-03-15	2022-01-20	141	\$93,317	\$254,892	71%								

*Customer Investment Profile Information reflects the latest clearing firm electronic records available for the account during the relevant period.

Appendix A

Customer Account Activity											*Customer Investment Profile Information According to Account Records*				
Customer	Account No.	Registered Representative(s)	First Trade	Last Trade	Total Trade Count	Average Account Equity	Total Trade Costs	Cost to Equity Ratio (annualized where >12 mos.)	Turnover Rate (annualized where >12 mos.)	Realized Profit/Loss	Year Born	Listed Annual Income	Listed Net Worth	Listed Risk Tolerance	Listed Inv. Objective
73	*2548	Spartan Representative 18	2018-01-09	2022-03-30	173	\$75,412	\$119,880	40%	9	-\$90,242	1947	\$200,000 - 299,999	\$1,000,000 - 2,999,999	Maximum risk	Speculation
74	*4008	Spartan Representative 18	2019-03-21	2020-02-13	27	\$17,388	\$20,290	117%	29	-\$24,483	1938	\$200,000 - 299,999	\$3,000,000 +	Maximum risk	Speculation
75	*0616	Spartan Representative 18	2020-07-07	2022-03-30	65	\$122,655	\$82,911	39%	9	-\$60,231	1953	\$200,000 - 299,999	\$3,000,000 +	Maximum risk	Speculation
76	*4500	Spartan Representative 19	2019-10-15	2021-10-26	79	\$10,898	\$32,353	142%	32	-\$24,568	1958	\$50,000 - 99,999	\$1,000,000 - 2,999,999	Maximum risk	Aggressive growth/aggressive income
77	*2470	Spartan Representative 19	2020-09-03	2021-10-22	40	\$9,009	\$11,968	114%	24	-\$6,111	1956	\$50,000 - 99,999	\$1,000,000 - 2,999,999	Maximum risk	Speculation
78	*8774	Spartan Representative 19	2018-10-15	2020-05-12	135	\$78,959	\$139,601	106%	29	-\$137,470	1966	\$100,000 - 199,999	\$1,000,000 - 2,999,999	High risk	Speculation
79	*0008	Spartan Representative 19	2020-07-16	2022-04-26	150	\$117,883	\$126,346	58%	13	-\$8,900	1962	\$100,000 - 199,999	\$1,000,000 - 2,999,999	Maximum risk	Speculation
80	*6974	Spartan Representative 20	2020-06-30	2021-12-31	21	\$32,107	\$16,406	32%	7	-\$10,347	1970	\$50,001 to \$100,000	\$500,001 - \$1,000,000	Speculative	Speculation
81	*8662	Spartan Representative 20	2020-06-30	2022-03-30	28	\$48,128	\$30,147	34%	7	-\$33,363	1930	\$100,001 to \$200,000	\$500,001 - \$1,000,000	Nan	Speculation
82	*7384	Spartan Representative 21	2020-07-06	2021-12-01	99	\$15,940	\$33,375	140%	30	-\$32,378	1960	\$1,000,000 +	\$3,000,000 +	Maximum risk	Speculation
83	*8891	Spartan Representative 21	2020-07-07	2022-03-18	68	\$12,349	\$19,304	89%	21	-\$9,983	1943	\$50,000 - 99,999	\$500,000 - 999,999	High risk	Growth
84	*1650	Spartan Representative 21	2020-07-08	2022-04-27	118	\$16,564	\$43,750	144%	33	-\$22,899	1964	\$100,000 - 199,999	\$500,000 - 999,999	Maximum risk	Speculation
85	*0508	Spartan Representative 21	2021-06-17	2022-04-26	92	\$10,895	\$28,894	265%	58	-\$17,668	1966	\$100,001 to \$200,000	\$1,000,001 - \$3,000,000	Speculative	Speculation
86	*0879	Spartan Representative 21	2019-02-20	2020-03-19	66	\$21,130	\$20,418	89%	20	-\$40,146	1960	\$200,000 - 299,999	\$1,000,000 - 2,999,999	High risk	Aggressive growth/aggressive income
87	*1637	Spartan Representative 21	2018-10-22	2021-10-12	314	\$67,801	\$126,605	61%	15	-\$122,034	1950	\$100,000 - 199,999	\$500,000 - 999,999	High risk	Aggressive growth/aggressive income
88	*6600	Spartan Representative 22	2018-01-05	2022-04-20	446	\$83,411	\$332,612	92%	25	-\$186,984	1935	\$300,000 - 399,999	\$3,000,000 +	High risk	Aggressive growth/aggressive income
89	*0587	Spartan Representative 23	2019-03-27	2020-01-30	67	\$15,755	\$32,488	206%	40	-\$53,896	1960	\$200,000 - 299,999	\$1,000,000 - 2,999,999	Maximum risk	Speculation
90	*2564	Spartan Representative 24	2020-07-24	2022-04-01	22	\$24,581	\$29,179	65%	12	-\$144,292	1952	\$100,000 - 199,999	\$1,000,000 - 2,999,999	Maximum risk	Speculation
91	*6448	Spartan Representative 24	2020-07-23	2021-06-16	28	\$80,122	\$57,831	72%	15	-\$166,492	1933	\$400,000 - 499,999	\$3,000,000 +	High risk	Aggressive growth/aggressive income
91	*0738	Spartan Representative 24	2020-07-23	2021-06-16	33	\$114,297	\$148,539	130%	19	-\$430,851	1933	\$500,001 to \$1,000,000	Over \$3,000,001	Aggressive	Maximum growth
92	*3834	Spartan Representative 25	2019-02-13	2020-06-04	34	\$17,552	\$10,704	49%	9	-\$4,232	1961	\$50,000 - 99,999	\$100,000 - 249,999	High risk	Speculation
93	*6209	Spartan Representative 25	2018-11-02	2020-06-05	44	\$11,573	\$10,657	58%	12	-\$429	1960	\$50,000 - 99,999	\$500,000 - 999,999	High risk	Speculation
93	*4642	Spartan Representative 25	2019-09-18	2021-03-05	134	\$38,400	\$88,383	145%	33	-\$51,800	1960	\$50,000 - 99,999	\$500,000 - 999,999	Moderate risk	Aggressive growth/aggressive income
94	*6712	Spartan Representative 26	2018-01-05	2020-03-30	49	\$10,792	\$15,729	76%	14	-\$64,859	1954	\$100,000 - 199,999	\$1,000,000 - 2,999,999	High risk	Speculation
95	*7168	Spartan Representative 26	2020-09-29	2022-04-29	51	\$58,430	\$48,085	49%	11	-\$72,247	1948	\$100,000 - 199,999	\$1,000,000 - 2,999,999	Maximum risk	Speculation
96	*5312	Spartan Representative 27	2020-06-30	2021-04-14	193	\$495,107	\$424,555	86%	42	-\$496,445	1950	\$100,000 - 199,999	\$1,000,000 - 2,999,999	Maximum risk	Speculation
97	*4318	Spartan Representative 28	2020-07-13	2021-11-11	120	\$73,152	\$82,874	80%	16	-\$53,043	1945	\$100,000 - 199,999	\$1,000,000 - 2,999,999	High risk	Speculation
98	*9512	Spartan Representative 28	2021-01-21	2021-07-28	37	\$14,393	\$9,611	67%	18	-\$15,805	1982	\$200,001 to \$500,000	\$1,000,001 - \$3,000,000	Speculative	Speculation
99	*0498	Spartan Representative 29	2020-07-09	2022-04-28	57	\$30,749	\$31,323	56%	15	-\$59,515	1945	\$200,000 - 299,999	\$1,000,000 - 2,999,999	High risk	Aggressive growth/aggressive income
100	*2715	Spartan Representative 30	2020-07-06	2021-11-02	31	\$16,861	\$10,993	46%	13	-\$4,065	1956	\$100,000 - 199,999	\$500,000 - 999,999	Moderate risk	Growth
101	*5817	Spartan Representative 30	2020-07-14	2022-04-28	111	\$28,467	\$33,065	63%	38	-\$148,723	1954	\$200,000 - 299,999	\$3,000,000 +	High risk	Aggressive growth/aggressive income
102	*0080	Spartan Representative 31	2020-07-06	2022-04-21	41	\$34,643	\$18,514	29%	5	\$5,905	1964	\$100,001 to \$200,000	\$1,000,001 - \$3,000,000	Aggressive	Maximum growth
102	*2463	Spartan Representative 31	2020-06-30	2022-04-28	89	\$100,563	\$92,577	48%	8	-\$79,957	1964	\$100,001 to \$200,000	\$1,000,001 - \$3,000,000	Aggressive	Maximum growth
103	*5886	Spartan Representative 32	2020-08-05	2022-02-10	35	\$37,103	\$24,236	41%	7	-\$32,989	1955	\$200,000 - 299,999	\$1,000,000 - 2,999,999	Maximum risk	Aggressive growth/aggressive income
104	*6509	Spartan Representative 33	2021-07-27	2022-04-27	25	\$25,509	\$9,265	36%	8	-\$13,542	1955	\$200,001 to \$500,000	Over \$3,000,001	Speculative	Speculation
105	*3173	Spartan Representative 34,	2020-09-18	2021-11-11	45	\$47,106	\$37,659	64%	14	-\$64,418	1966	\$200,001 to \$500,000	Over \$3,000,001	Speculative	Speculation
106	*0115	Spartan Representative 35	2018-01-08	2020-10-06	62	\$23,757	\$51,462	76%	14	-\$32,609	1959	\$100,000 - 199,999	\$1,000,000 - 2,999,999	High risk	Speculation
107	*4248	Spartan Representative 35	2020-10-06	2022-04-29	200	\$328,855	\$343,356	66%	16	-\$28,717	1951	\$100,000 - 199,999	\$3,000,000 +	High risk	Speculation
108	*7033	Spartan Representative 35	2018-01-08	2021-01-29	121	\$44,431	\$131,281	96%	21	-\$157,028	1951	\$200,000 - 299,999	\$1,000,000 - 2,999,999	High risk	Speculation
109	*4357	Spartan Representative 36	2018-08-29	2021-04-09	480	\$373,506	\$362,133	36%	11	-\$135,178	1945	\$1,000,000 +	\$3,000,000 +	Maximum risk	Speculation
110	*7805	Spartan Representative 36	2020-07-07	2022-01-21	399	\$90,723	\$361,199	251%	59	-\$493,766	1969	Over \$1,000,000	Over \$3,000,001	Speculative	Speculation

Appendix A.1 - Churning

Customer	Account No.	Registered Representative(s)	First Trade in Period	Last Trade in Period	Total Trade Count	Average Account Equity	Total Trade Costs	Cost to Equity Ratio (annualized where >12 mos.)	Turnover Rate (annualized where >12 mos.)	Realized Profit/Loss
7	*9905	Spartan Representative James Pecoraro	2020-06-24	2022-04-05	82	\$40,443	\$50,868	66%	11	-\$94,509
8	*9017	Spartan Representative James Pecoraro	2020-05-29	2021-12-02	39	\$13,797	\$21,573	94%	15	-\$20,651
9	*1484	Spartan Representative John Stapleton	2020-04-23	2022-04-12	117	\$124,765	\$79,065	30%	10	-\$149,411
10	*9871	Spartan Representative John Stapleton	2020-04-08	2022-02-17	33	\$51,246	\$19,245	20%	9	-\$27,374
17	*4435	Spartan Representative 1	2019-06-05	2022-03-15	270	\$121,389	\$122,868	36%	13	-\$157,179
19	*6156	Spartan Representative 1	2019-07-09	2020-03-02	69	\$3,701	\$18,174	491%	184	-\$25,286
20	*1629	Spartan Representative 1	2018-02-23	2019-02-11	66	\$12,962	\$21,468	153%	28	-\$11,987
21	*8427	Spartan Representative 1	2018-01-17	2019-01-03	49	\$14,790	\$13,974	94%	15	\$1,631
22	*1341	Spartan Representative 1	2019-06-05	2019-10-03	79	\$6,255	\$25,062	401%	101	-\$1,327
23	*0044	Spartan Representative 1	2018-01-29	2019-01-09	42	\$6,273	\$7,169	114%	16	\$787
25	*8376	Spartan Representative 2	2019-11-08	2021-08-04	86	\$15,440	\$95,610	338%	65	-\$41,044
26	*9157	Spartan Representative 2	2019-11-14	2021-12-16	45	\$9,905	\$39,129	182%	31	-\$48,846
27	*9837	Spartan Representative 2	2019-11-18	2020-12-23	113	\$53,177	\$175,786	283%	60	-\$72,205
29	*3060	Spartan Representative 3	2021-01-15	2022-04-27	83	\$51,023	\$75,401	111%	22	-\$107,693
30	*7545	Spartan Representative 3	2020-10-29	2022-02-01	54	\$79,885	\$77,505	68%	14	-\$52,826
32	*5855	Spartan Representative 3, Spartan Representative 4	2021-01-21	2022-01-28	23	\$77,623	\$34,164	41%	9	-\$22,859
33	*4976	Spartan Representative 3	2019-08-06	2022-01-31	45	\$48,715	\$30,859	26%	7	-\$42,516
34	*3028	Spartan Representative 3	2019-07-23	2022-03-10	39	\$12,065	\$16,643	53%	10	-\$25,176
35	*7040	Spartan Representative 3	2019-11-05	2022-03-10	44	\$14,803	\$19,934	56%	10	-\$16,506
36	*7050	Spartan Representative 3	2019-05-23	2021-09-30	167	\$150,776	\$150,052	41%	7	-\$107,558
36	*0089	Spartan Representative 3	2019-10-22	2021-06-30	157	\$144,895	\$125,541	50%	10	-\$48,465
37	*0926	Spartan Representative 3	2018-01-24	2022-04-22	161	\$45,653	\$111,896	57%	10	-\$31,983
40	*9928	Spartan Representative 4	2020-02-13	2021-05-11	42	\$37,482	\$30,318	61%	17	-\$18,213
44	*8447	Spartan Representative 4	2018-08-20	2021-08-05	194	\$357,615	\$264,792	25%	7	\$4,438
47	*2496	Spartan Representative 4	2020-04-03	2021-12-28	54	\$301,526	\$206,308	39%	8	-\$221,227
52	*9588	Spartan Representative 5	2021-06-10	2021-11-29	31	\$13,469	\$8,336	62%	13	-\$24,885
54	*9842	Spartan Representative 6	2020-06-17	2021-04-23	111	\$23,525	\$41,124	175%	46	-\$33,289
55	*2029	Spartan Representative 6	2020-05-18	2021-05-28	216	\$134,682	\$102,033	70%	20	-\$49,690
57	*6597	Spartan Representative 7	2018-01-03	2020-03-13	120	\$109,835	\$99,980	40%	10	-\$104,865
58	*6027	Spartan Representative 8	2019-08-01	2021-08-13	67	\$45,370	\$99,111	105%	23	-\$16,832
60	*5548	Spartan Representative 10	2018-01-17	2019-02-20	50	\$10,823	\$25,511	218%	41	-\$10,710
63	*8349	Spartan Representative 13, Spartan Representative 7	2019-07-22	2020-07-28	138	\$76,257	\$126,442	153%	38	-\$288,867
106	*0115	Spartan Representative 35	2018-01-08	2020-10-06	62	\$23,757	\$51,462	76%	14	-\$32,609
108	*7033	Spartan Representative 35	2018-01-08	2021-01-29	121	\$44,431	\$131,281	96%	21	-\$157,028
109	*4357	Spartan Representative 36	2018-08-29	2021-04-09	480	\$373,506	\$362,133	36%	11	-\$135,178

Appendix A.2 - Rule 2111

Customer	Account No.	Registered Representative(s)	First Trade in Period	Last Trade in Period	Total Trade Count	Average Account Equity	Total Trade Costs	Cost to Equity Ratio (annualized where >12 mos.)	Turnover Rate (annualized where >12 mos.)	Realized Profit/Loss
8	*9017	Spartan Representative James Pecoraro	2020-05-29	2021-12-02	39	\$13,797	\$21,573	94%	15	-\$20,651
14	*9968	Spartan Representative Michael Darvish	2020-07-06	2022-04-27	401	\$996,802	\$298,580	16%	7	-\$269,667
17	*4435	Spartan Representative 1	2019-06-05	2020-05-29	129	\$62,751	\$39,352	63%	36	-\$40,827
19	*6156	Spartan Representative 1	2019-07-09	2020-03-02	69	\$3,701	\$18,174	491%	184	-\$25,286
20	*1629	Spartan Representative 1	2018-02-23	2019-02-11	66	\$12,962	\$21,468	153%	28	-\$18,858
21	*8427	Spartan Representative 1	2018-01-17	2019-01-03	49	\$14,790	\$13,974	94%	15	-\$8,115
22	*1341	Spartan Representative 1	2019-06-05	2019-10-03	79	\$6,255	\$25,062	401%	101	-\$1,327
23	*0044	Spartan Representative 1	2018-01-29	2019-01-09	42	\$6,273	\$7,169	114%	16	-\$4,945
26	*9157	Spartan Representative 2	2019-11-14	2020-05-01	17	\$17,853	\$15,077	84%	16	-\$44,422
36	*7050	Spartan Representative 3	2019-05-23	2020-06-29	64	\$106,927	\$45,638	37%	7	-\$41,582
37	*0926	Spartan Representative 3	2018-01-24	2020-06-23	77	\$41,330	\$57,357	56%	10	\$6,924
44	*8447	Spartan Representative 4	2018-08-20	2020-06-24	161	\$216,630	\$231,553	58%	14	-\$225,579
57	*6597	Spartan Representative 7	2018-01-03	2020-03-13	120	\$109,835	\$99,980	40%	10	-\$104,238
58	*6027	Spartan Representative 8	2019-08-01	2020-06-17	31	\$39,935	\$51,599	129%	31	-\$7,324
60	*5548	Spartan Representative 10	2018-01-17	2019-02-20	50	\$10,823	\$25,511	218%	41	-\$10,710
63	*8349	Spartan Representative 13, Spartan Representative 7	2019-07-22	2020-06-29	127	\$80,494	\$119,641	149%	38	-\$273,254
71	*5468	Spartan Representative 17	2018-01-19	2020-03-18	90	\$104,784	\$154,848	66%	21	-\$176,972
72	*7993	Spartan Representative 17	2018-03-15	2020-06-23	24	\$11,964	\$17,211	64%	14	-\$11,952
73	*2548	Spartan Representative 18	2018-01-09	2020-06-09	114	\$73,514	\$78,630	48%	11	-\$75,779
74	*4008	Spartan Representative 18	2019-03-21	2020-02-13	27	\$17,388	\$20,290	117%	29	-\$24,483
76	*4500	Spartan Representative 19	2019-10-15	2020-05-26	12	\$8,282	\$3,391	41%	7	-\$3,749
78	*8774	Spartan Representative 19	2018-10-15	2020-05-12	135	\$78,959	\$139,601	106%	29	-\$137,470
86	*0879	Spartan Representative 21	2019-02-20	2020-03-19	66	\$21,130	\$20,418	89%	20	-\$40,146
87	*1637	Spartan Representative 21	2018-10-22	2020-06-23	176	\$73,837	\$77,450	60%	13	-\$84,749
88	*6600	Spartan Representative 22	2018-01-05	2020-06-29	300	\$92,336	\$227,856	99%	28	-\$114,750
89	*0587	Spartan Representative 23	2019-03-27	2020-01-30	67	\$15,755	\$32,488	206%	40	-\$53,896
92	*3834	Spartan Representative 25	2019-02-13	2020-06-04	34	\$17,552	\$10,704	49%	9	-\$4,232
93	*6209	Spartan Representative 25	2018-11-02	2020-06-05	44	\$11,573	\$10,657	58%	12	-\$429
93	*4642	Spartan Representative 25	2019-09-18	2020-06-18	78	\$48,442	\$55,876	115%	26	-\$33,382
94	*6712	Spartan Representative 26	2018-01-05	2020-03-30	49	\$10,792	\$15,729	76%	14	-\$64,859
106	*0115	Spartan Representative 35	2018-01-08	2020-03-23	61	\$24,806	\$50,260	90%	17	-\$28,643
108	*7033	Spartan Representative 35	2018-01-08	2020-04-03	120	\$54,239	\$130,899	103%	23	-\$169,150
109	*4357	Spartan Representative 36	2018-08-29	2020-06-25	375	\$206,021	\$255,020	68%	24	\$28,369

Appendix A.3 - Reg BI

Customer	Account No.	Registered Representative(s)	First Trade in Period	Last Trade in Period	Total Trade Count	Average Account Equity	Total Trade Costs	Cost to Equity Ratio (annualized where >12 mos.)	Turnover Rate (annualized where >12 mos.)	Realized Profit/Loss
1	*6886	Spartan Representative James Pecoraro	2020-10-29	2022-04-29	82	\$95,536	\$96,733	64%	13	-\$51,648
2	*5390	Spartan Representative James Pecoraro, Spartan Representative 2	2020-07-13	2022-03-24	15	\$6,959	\$20,547	169%	22	-\$36,258
3	*1650	Spartan Representative James Pecoraro	2020-10-30	2022-04-06	26	\$20,701	\$18,761	57%	8	-\$7,724
4	*9036	Spartan Representative James Pecoraro	2020-09-04	2022-04-22	53	\$37,183	\$43,512	70%	13	-\$22,871
5	*0718	Spartan Representative James Pecoraro	2020-09-17	2021-04-30	123	\$228,162	\$121,535	53%	12	-\$12,225
6	*4762	Spartan Representative James Pecoraro, Spartan Representative 2	2020-06-30	2021-02-03	81	\$52,156	\$37,802	72%	13	-\$4,293
7	*9905	Spartan Representative James Pecoraro	2020-06-30	2022-04-05	78	\$40,443	\$47,343	61%	10	-\$85,219
9	*1484	Spartan Representative John Stapleton	2020-07-28	2022-04-12	113	\$139,371	\$78,988	31%	10	-\$150,340
10	*9871	Spartan Representative John Stapleton	2020-11-23	2022-02-17	30	\$62,545	\$19,170	23%	10	-\$32,200
11	*3320	Spartan Representative Michael Darvish	2021-01-12	2022-03-21	82	\$100,048	\$55,725	45%	19	-\$38,160
12	*7162	Spartan Representative Michael Darvish	2020-06-30	2021-12-27	43	\$59,146	\$21,819	23%	10	-\$40,782
13	*9472	Spartan Representative Michael Darvish	2020-06-30	2022-03-29	299	\$187,673	\$190,262	55%	24	-\$41,624
15	*4035	Spartan Representative 1	2020-07-01	2022-03-16	376	\$431,177	\$261,171	35%	15	-\$402,368
16	*7020	Spartan Representative 1	2020-12-02	2021-08-12	104	\$32,349	\$43,164	133%	30	-\$16,557
17	*4435	Spartan Representative 1	2021-01-04	2022-03-15	141	\$157,834	\$83,513	42%	11	-\$116,352
18	*5213	Spartan Representative 1	2020-07-13	2022-03-17	252	\$30,787	\$77,590	144%	38	-\$55,415
24	*0964	Spartan Representative 1	2020-11-11	2022-03-16	102	\$42,474	\$42,383	70%	13	-\$14,366
25	*8376	Spartan Representative 2	2020-06-30	2021-08-04	79	\$20,972	\$93,651	357%	69	-\$48,928
26	*9157	Spartan Representative 2	2020-06-30	2021-12-16	28	\$6,977	\$24,051	218%	33	-\$11,880
27	*9837	Spartan Representative 2	2020-06-30	2020-12-23	25	\$57,374	\$38,855	68%	10	-\$100,411
28	*1951	Spartan Representative 2	2020-12-30	2021-07-26	16	\$16,587	\$19,217	116%	12	-\$31,770
29	*3060	Spartan Representative 3	2021-01-15	2022-04-27	83	\$51,023	\$75,401	111%	22	-\$107,693
30	*7545	Spartan Representative 3	2020-10-29	2022-02-01	54	\$79,885	\$77,505	68%	14	-\$52,826
31	*0024	Spartan Representative 3, Spartan Representative 4	2020-07-28	2021-04-29	11	\$28,641	\$6,724	23%	7	-\$9,320
32	*5855	Spartan Representative 3, Spartan Representative 4	2021-01-21	2022-01-28	23	\$77,623	\$34,164	41%	9	-\$22,859
33	*4976	Spartan Representative 3	2020-07-30	2022-01-31	43	\$72,567	\$30,859	27%	7	-\$44,517
34	*3028	Spartan Representative 3	2020-07-30	2022-03-10	37	\$13,652	\$16,643	70%	13	-\$27,755
35	*7040	Spartan Representative 3	2020-07-27	2022-03-10	37	\$12,586	\$16,026	73%	13	-\$25,629
36	*7050	Spartan Representative 3	2020-06-30	2021-09-30	101	\$191,936	\$104,258	41%	6	-\$59,557
36	*0089	Spartan Representative 3	2020-06-30	2021-06-30	105	\$133,482	\$85,784	59%	12	-\$54,456
37	*0926	Spartan Representative 3	2020-07-20	2022-04-22	84	\$51,548	\$54,539	58%	11	-\$49,924
38	*3799	Spartan Representative 3, Spartan Representative 4	2020-08-21	2022-03-10	64	\$62,036	\$54,346	53%	10	-\$42,897
39	*3936	Spartan Representative 3	2020-06-30	2021-12-02	33	\$14,924	\$12,152	51%	8	-\$2,052
40	*9928	Spartan Representative 4	2020-07-22	2021-05-11	29	\$41,702	\$25,352	61%	16	-\$37,129
41	*1963	Spartan Representative 4	2020-07-23	2022-03-31	47	\$119,637	\$72,732	35%	7	-\$19,782
42	*4398	Spartan Representative 4	2020-06-30	2021-08-05	33	\$26,338	\$25,337	77%	15	-\$30,102
43	*9201	Spartan Representative 4	2020-07-09	2022-03-31	188	\$675,504	\$416,927	35%	8	-\$61,990
45	*2106	Spartan Representative 4	2020-11-19	2021-12-14	22	\$38,883	\$16,251	36%	8	-\$93,218
46	*2695	Spartan Representative 4	2020-06-30	2022-03-10	31	\$69,695	\$49,309	39%	8	-\$144,052
47	*2496	Spartan Representative 4	2020-08-21	2021-12-28	53	\$370,100	\$206,308	39%	8	-\$231,151
48	*8349	Spartan Representative 5	2020-08-26	2021-10-29	34	\$23,885	\$17,324	58%	12	-\$42,108
49	*3087	Spartan Representative 5	2020-09-23	2021-10-05	51	\$26,088	\$27,784	91%	22	-\$37,505
50	*6017	Spartan Representative 5	2020-07-01	2021-08-30	34	\$28,849	\$24,041	71%	12	-\$21,064
51	*4803	Spartan Representative 5	2021-03-05	2021-11-23	32	\$92,318	\$19,880	22%	5	-\$80,767
52	*9588	Spartan Representative 5	2021-06-10	2021-11-29	31	\$13,469	\$8,336	62%	13	-\$24,885
53	*8070	Spartan Representative 6	2020-08-12	2021-04-23	100	\$64,093	\$41,902	65%	19	-\$35,258

Appendix A.3 - Reg BI

Customer	Account No.	Registered Representative(s)	First Trade in Period	Last Trade in Period	Total Trade Count	Average Account Equity	Total Trade Costs	Cost to Equity Ratio (annualized where >12 mos.)	Turnover Rate (annualized where >12 mos.)	Realized Profit/Loss
1	*6886	Spartan Representative James Pecoraro	2020-10-29	2022-04-29	82	\$95,536	\$96,733	64%	13	-\$51,648
54	*9842	Spartan Representative 6	2020-07-14	2021-04-23	110	\$25,746	\$41,124	160%	42	-\$33,256
55	*2029	Spartan Representative 6	2020-06-30	2021-05-28	181	\$140,618	\$78,463	56%	16	-\$54,974
56	*8504	Spartan Representative 6	2020-07-07	2021-04-30	52	\$29,766	\$21,346	72%	20	-\$6,721
58	*6027	Spartan Representative 8	2020-07-13	2021-08-13	36	\$49,640	\$47,512	82%	17	-\$29,657
59	*9741	Spartan Representative 9	2020-06-30	2022-04-27	365	\$450,280	\$346,467	40%	9	-\$19,087
61	*3605	Spartan Representative 11	2020-07-14	2022-01-27	28	\$25,812	\$14,162	35%	7	-\$13,971
62	*2758	Spartan Representative 12	2020-07-15	2021-05-28	72	\$105,702	\$143,135	135%	21	-\$63,185
64	*4507	Spartan Representative 14	2020-08-11	2022-01-12	30	\$20,811	\$14,116	45%	10	-\$17,026
65	*0783	Spartan Representative 15	2020-07-16	2021-02-09	64	\$100,829	\$76,071	75%	18	-\$4,498
66	*9475	Spartan Representative 16, Spartan Representative 15	2020-06-30	2022-03-30	29	\$5,585	\$7,848	77%	13	-\$4,082
67	*4015	Spartan Representative 16	2020-07-02	2022-04-29	259	\$433,995	\$333,963	42%	10	-\$94,820
68	*3706	Spartan Representative 16	2020-06-30	2022-04-26	163	\$106,976	\$116,091	57%	12	-\$119,348
69	*1562	Spartan Representative 17	2020-07-13	2022-03-03	61	\$129,756	\$89,350	39%	9	-\$41,172
70	*5111	Spartan Representative 17	2020-07-13	2022-04-28	39	\$91,426	\$59,440	35%	9	-\$14,384
72	*7993	Spartan Representative 17	2020-06-30	2022-01-20	117	\$206,044	\$237,775	69%	16	-\$129,846
73	*2548	Spartan Representative 18	2020-07-16	2022-03-30	59	\$77,852	\$41,250	30%	7	-\$3,987
75	*0616	Spartan Representative 18	2020-07-07	2022-03-30	65	\$122,655	\$82,911	39%	9	-\$60,231
76	*4500	Spartan Representative 19	2020-06-30	2021-10-26	67	\$12,130	\$28,962	169%	39	-\$20,271
77	*2470	Spartan Representative 19	2020-09-03	2021-10-22	40	\$9,009	\$11,968	114%	24	-\$6,111
79	*0008	Spartan Representative 19	2020-07-16	2022-04-26	150	\$117,883	\$126,346	58%	13	-\$8,900
80	*6974	Spartan Representative 20	2020-06-30	2021-12-31	21	\$32,107	\$16,406	32%	7	-\$10,347
81	*8662	Spartan Representative 20	2020-06-30	2022-03-30	28	\$48,128	\$30,147	34%	7	-\$33,363
82	*7384	Spartan Representative 21	2020-07-06	2021-12-01	99	\$15,940	\$33,375	140%	30	-\$32,378
83	*8891	Spartan Representative 21	2020-07-07	2022-03-18	68	\$12,349	\$19,304	89%	21	-\$9,983
84	*1650	Spartan Representative 21	2020-07-08	2022-04-27	118	\$16,564	\$43,750	144%	33	-\$22,899
85	*0508	Spartan Representative 21	2021-06-17	2022-04-26	92	\$10,895	\$28,894	265%	58	-\$17,668
87	*1637	Spartan Representative 21	2020-07-01	2021-10-12	138	\$59,878	\$49,155	62%	18	-\$37,285
88	*6600	Spartan Representative 22	2020-06-30	2022-04-20	145	\$70,724	\$104,724	77%	19	-\$77,143
90	*2564	Spartan Representative 24	2020-07-24	2022-04-01	22	\$24,581	\$29,179	65%	12	-\$144,292
91	*6448	Spartan Representative 24	2020-07-23	2021-06-16	28	\$80,122	\$57,831	72%	15	-\$166,492
91	*0738	Spartan Representative 24	2020-07-23	2021-06-16	33	\$114,297	\$148,539	130%	19	-\$430,851
93	*4642	Spartan Representative 25	2020-07-01	2021-03-05	56	\$27,243	\$32,507	119%	27	-\$25,199
95	*7168	Spartan Representative 26	2020-09-29	2022-04-29	51	\$58,430	\$48,085	49%	11	-\$72,247
96	*5312	Spartan Representative 27	2020-06-30	2021-04-14	193	\$495,107	\$424,555	86%	42	-\$496,445
97	*4318	Spartan Representative 28	2020-07-13	2021-11-11	120	\$73,152	\$82,874	80%	16	-\$53,043
98	*9512	Spartan Representative 28	2021-01-21	2021-07-28	37	\$14,393	\$9,611	67%	18	-\$15,805
99	*0498	Spartan Representative 29	2020-07-09	2022-04-28	57	\$30,749	\$31,323	56%	15	-\$59,515
100	*2715	Spartan Representative 30	2020-07-06	2021-11-02	31	\$16,861	\$10,993	46%	13	-\$4,065
101	*5817	Spartan Representative 30	2020-07-14	2022-04-28	111	\$28,467	\$33,065	63%	38	-\$148,723
102	*0080	Spartan Representative 31	2020-07-06	2022-04-21	41	\$34,643	\$18,514	29%	5	\$5,905
102	*2463	Spartan Representative 31	2020-06-30	2022-04-28	89	\$100,563	\$92,577	48%	8	-\$79,957
103	*5886	Spartan Representative 32	2020-08-05	2022-02-10	35	\$37,103	\$24,236	41%	7	-\$32,989
104	*6509	Spartan Representative 33	2021-07-27	2022-04-27	25	\$25,509	\$9,265	36%	8	-\$13,542
105	*3173	Spartan Representative 34, Spartan Representative 28	2020-09-18	2021-11-11	45	\$47,106	\$37,659	64%	14	-\$64,418
107	*4248	Spartan Representative 35	2020-10-06	2022-04-29	200	\$328,855	\$343,356	66%	16	-\$28,717
110	*7805	Spartan Representative 36	2020-07-07	2022-01-21	399	\$90,723	\$361,199	251%	59	-\$493,766

Appendix B
Respondent James Pecoraro Customer Account Activity

Customer	Account No.	First Trade	Last Trade	Total Trade Count	Average Account Equity	Total Trade Costs	Cost to Equity Ratio (annualized where >12 mos.)	Turnover Rate (annualized where >12 mos.)	Realized Profit/Loss
1	*6886	2020-10-29	2022-04-29	82	\$95,536	\$96,733	64%	13	-\$51,648
2	*5390	2020-07-13	2022-03-24	15	\$6,959	\$20,547	169%	22	-\$36,258
3	*1650	2020-10-30	2022-04-06	26	\$20,701	\$18,761	57%	8	-\$7,724
4	*9036	2020-09-04	2022-04-22	53	\$37,183	\$43,512	70%	13	-\$22,871
5	*0718	2020-09-17	2021-04-30	123	\$228,162	\$121,535	53%	12	-\$12,225
6	*4762	2020-06-30	2021-02-03	81	\$52,156	\$37,802	72%	13	-\$4,293
7	*9905	2020-06-24	2022-04-05	82	\$40,443	\$50,868	66%	11	-\$94,509
8	*9017	2020-05-29	2021-12-02	39	\$13,797	\$21,573	94%	15	-\$20,651
					Total Costs and Losses	\$411,331			-\$250,179

Appendix C
Respondent John Stapleton Customer Account Activity

Customer	Account No.	First Trade	Last Trade	Total Trade Count	Average Account Equity	Total Trade Costs	Cost to Equity Ratio (annualized where >12 mos.)	Turnover Rate (annualized where >12 mos.)	Realized Profit/Loss
9	*1484	2020-04-23	2022-04-12	117	\$124,765	\$79,065	30%	10	-\$149,411
10	*9871	2020-04-08	2022-02-17	33	\$51,246	\$19,245	20%	9	-\$27,374
					Total Costs and Losses	\$98,310			-\$176,785

Appendix D
Respondent Michael Darvish Customer Account Activity

Customer	Account No.	First Trade	Last Trade	Total Trade Count	Average Account Equity	Total Trade Costs	Cost to Equity Ratio (annualized where >12 mos.)	Turnover Rate (annualized where >12 mos.)	Realized Profit/Loss
11	*3320	2021-01-12	2022-03-21	82	\$100,048	\$55,725	45%	19	-\$38,160
12	*7162	2020-06-30	2021-12-27	43	\$59,146	\$21,819	23%	10	-\$40,782
13	*9472	2020-06-30	2022-03-29	299	\$187,673	\$190,262	55%	24	-\$41,624
14	*9968	2020-07-06	2022-04-27	401	\$996,802	\$298,580	16%	7	-\$269,667
					Total Costs and Losses	\$566,385			-\$390,234

APPENDIX E
Non-Respondent Spartan Representatives 1 to 36

Representative	Dates Registered with FINRA through Spartan	Spartan Office Location	Spartan Customer Arbitrations	Evidence of Financial Pressure While at Spartan	Disciplinary History/Status
Spartan Representative 1	May 2016-March 2022	New York City	4 arbitrations (2 settled, 1 monetary judgment for claimant)	Filed for bankruptcy; frequently requested commission advances	• March 2022: Barred for churning and excessively trading 21 Spartan customer accounts and for engaging in unauthorized trading in Spartan customer accounts • June 2016: Suspended and fined for exercising discretion without written authorization and failing to timely disclose a tax lien
Spartan Representative 2	Nov. 2019- Oct. 2022	Garden City	1 settled arbitration	Frequently requested commission advances	• August 2024: Barred for violating 8210 in connection with a FINRA investigation into his trading of customer accounts at Spartan • April 2023: Indefinitely suspended for failure to comply with a settlement agreement • October 2022: Suspended, fined, and ordered to pay restitution for excessively trading four accounts • February 2016: Suspended and fined for exercising discretion without written authorization
Spartan Representative 3	July 2013-Dec. 2023	New York City	6 arbitrations (1 pending)	Occasionally requested commission advances	• November 2025: Barred for violating 8210 in connection with a FINRA investigation into his trading of customer accounts at Spartan
Spartan Representative 4	July 2018-June 2023	New York City	3 arbitrations (1 settled, 2 pending)	Subject of a tax lien; occasionally requested commission advances	• November 2025: Plead guilty to securities fraud and conspiracy charges in S.D.N.Y. • March 2025: Barred for violating 8210 in connection with a FINRA investigation into his trading of customer accounts at Spartan
Spartan Representative 5	Jan. 2013- March 2022	Garden City and New York City	5 arbitrations (4 settled)	Subject of 6 tax liens/judgments; frequently requested commission advances; discharged owing firm \$97,122	• September 2024: Barred for violating 8210 in connection with a FINRA investigation into his trading of customer accounts at Spartan
Spartan Representative 6	Jan. 2020-May 2021	New York City	N/A	N/A	• June 2021: Barred for excessively trading 13 customer accounts at a prior member firm

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Spartan Representative 7	April 2015-July 2020	Garden City	4 arbitrations (2 settled)	N/A	- September 2022: Barred for violating 8210 in connection with a FINRA investigation into his trading of customer accounts at Spartan - November 2004: Prohibited from registering in the state of Missouri for 8 years and ordered to pay the cost of the investigation for failing to timely amend his Form U4 for a customer complaint
Spartan Representative 8	Aug. 2017-Dec. 2022	New York City	8 arbitrations (4 settled, 1 pending)	N/A	November 2024: Barred for violating 8210 in connection with a FINRA investigation into his outside business activities while at Spartan
Spartan Representative 9	Aug. 2018-Feb. 2023	Garden City	3 arbitrations (2 settled)	Filed for bankruptcy; subject of 2 tax liens/judgments; frequently requested commission advances	March 2024: Barred for churning and excessively trading six customer accounts and for engaging in unauthorized trading in customer accounts at a prior member firm (appeal pending before the NAC)
Spartan Representative 10	Nov. 2015- July 2019	New York City	2 settled arbitrations	N/A	- November 2024: Barred for violating 8210 in connection with a FINRA request for testimony - November 2023: Suspended and ordered to pay restitution plus interest for excessively trading five customer accounts, including two Spartan customer accounts
Spartan Representative 11	Aug. 2017- July 2022	New York City	3 settled arbitrations	Frequently requested commission advances	- August 2023: Indefinitely suspended for failing to comply with an arbitration award or settlement agreement or satisfactorily respond to a FINRA request to provide information regarding the status of compliance - March 2023: Barred for violating 8210 in connection with a FINRA investigation into his trading of customer accounts at Spartan - January 2020: Suspended and fined for engaging in unauthorized trading in two customer accounts and exercising discretion without authorization in two other customer accounts

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Spartan Representative 12	June 2019-June 2021	Garden City	N/A	N/A	• May 2021: Barred for, among other things, churning and excessively trading five customer accounts and engaging in unauthorized trading in a customer account while at a prior member firm • June 2017: Suspended and ordered to complete continuing education concerning complex products for making recommendations to 13 customers without a reasonable basis
Spartan Representative 13	July 2019-Aug. 2020	Garden City	1 settled arbitration	Frequently requested commission advances	• November 2021: Barred and ordered to pay restitution for engaging in unauthorized trading and for providing false documents and testimony to FINRA in connection with a FINRA investigation into his trading of customer accounts at Spartan
Spartan Representative 14	July 2016-Aug. 2024	Garden City and New York City	1 settled arbitration	N/A	• August 2024: Barred for violating 8210 in connection with a FINRA investigation into his trading of customer accounts at Spartan
Spartan Representative 15	Feb. 2020-Aug. 2022	Garden City	1 arbitration	Filed for bankruptcy; subject of 6 tax liens/judgments; frequently requested commission advances	• March 2023: Barred for violating 8210 in connection with a FINRA investigation into his trading of a customer account at Spartan
Spartan Representative 16	July 2019-April 2024	Garden City	1 arbitration	Subject of 5 tax liens/judgments; occasionally requested commission advances	• January 2025: Barred for violating 8210 in connection with a FINRA investigation into his trading of customer accounts at Spartan • April 2016: Suspended and fined for, among other things, making false, exaggerated, unwarranted, and misleading statements in communications with the public and to FINRA
Spartan Representative 17	Aug. 2017-Present	New York City	7 arbitrations (4 settled)	Subject of 2 tax liens/judgments; occasionally requested commission advances	• May 2025: Suspended, fined, and ordered to pay restitution for excessively trading two Spartan customer accounts
Spartan Representative 18	Aug. 2017-Nov. 2022	New York City	2 settled arbitrations	N/A	• May 2025: Suspended, fined, and ordered to pay restitution for excessively trading two Spartan customer accounts
Spartan Representative 19	April 2016-Aug. 2022	New York City	1 arbitration	Subject of a tax warrant; frequently requested commission advances	• May 2025: Suspended and ordered to pay partial restitution for excessively trading a Spartan customer account (no fine was imposed due to demonstrated limited ability to pay)

Representative	Dates Registered with FINRA through Spartan	Spartan Office Location	Spartan Customer Arbitrations	Evidence of Financial Pressure While at Spartan	Disciplinary History/Status
Spartan Representative 20	Jan. 2020-Sept. 2023	Garden City	2 arbitrations	Occasionally requested commission advances	February 2025: Suspended for excessively trading two Spartan customer accounts (no monetary sanctions imposed due to demonstrated inability to pay)
Spartan Representative 21	Feb. 2016-Jan. 2024	New York City	2 settled arbitrations	Subject of 2 tax liens/judgments; frequently requested commission advances	- January 2024: Suspended for excessively trading eight Spartan customer accounts (no monetary sanctions imposed due to demonstrated inability to pay) - August 2017 to September 2017: Suspended for failing to comply with an arbitration award or settlement agreement or satisfactorily respond to a FINRA request to provide information regarding the status of compliance - November 2014: Suspended and fined for exercising discretion without written authorization
Spartan Representative 22	Jan. 2016- Dec. 2022	Garden City	3 arbitrations (2 settled)	Subject of 7 tax liens/judgments; frequently requested commission advances	- October 2024: Suspended for excessively trading three Spartan customer accounts (no monetary sanctions imposed due to demonstrated inability to pay) - June 2024: Indefinitely suspended for failing to comply with an arbitration award or settlement agreement or satisfactorily respond to a FINRA request to provide information regarding the status of compliance
Spartan Representative 23	Jan. 2013-April 2020	New York City	4 arbitrations (3 settled)	Subject of 10 tax liens/judgments; frequently requested commission advances	- September 2023: Indefinitely suspended for failing to comply with an arbitration award or settlement agreement or satisfactorily respond to a FINRA request to provide information regarding the status of compliance - October 2022: Suspended, fined, and ordered to pay restitution for excessively trading three Spartan customer accounts - January 2021: Suspended and fined for failing to timely disclose tax liens
Spartan Representative 24	Oct. 2019-Dec. 2024	New York City	3 pending arbitrations	Subject of 2 tax liens/judgments; frequently requested commission advances	October 2024: Suspended for excessively trading a Spartan customer account (no monetary sanctions imposed due to demonstrated inability to pay)

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Spartan Representative 25	May 2017-July 2022	New York City	2 settled arbitrations	Frequently requested commission advances; borrowed money from a Spartan customer; discharged owing firm \$22,992.38	• March 2024: Suspended for excessively trading four Spartan customer accounts and for borrowing money from a Spartan customer without prior approval (no monetary sanctions imposed due to demonstrated inability to pay) • July 2023: Indefinitely suspended for failing to comply with an arbitration award or settlement agreement or satisfactorily respond to a FINRA request to provide information regarding the status of compliance
Spartan Representative 26	Aug. 2017-Dec. 2022	New York City	1 settled arbitration	N/A	• May 2025: Indefinitely suspended for failure to comply with the restitution ordered in the below November 2024 settlement • November 2024: Suspended, fined, and ordered to pay restitution for excessively trading a Spartan customer account
Spartan Representative 27	Oct. 2019-Present	New York City	2 settled arbitrations	Occasionally requested commission advances	• November 2023: Suspended for excessively trading a Spartan customer account (no monetary sanctions imposed due to demonstrated inability to pay)
Spartan Representative 28	March 2018-July 2023	New York City	N/A	N/A	• November 2024: Suspended for excessively trading two Spartan customer accounts (no monetary sanctions imposed due to demonstrated inability to pay)
Spartan Representative 29	Jan. 2016-Dec. 2022	Garden City	1 settled arbitration	Frequently requested commission advances	• December 2023: Suspended for excessively trading two Spartan customer accounts (no monetary sanctions imposed due to demonstrated inability to pay)
Spartan Representative 30	March 2017-May 2023	New York City	2 settled arbitrations	Frequently requested commission advances	• April 2025: Suspended for excessively trading two Spartan customer accounts (no monetary sanctions imposed due to demonstrated inability to pay)
Spartan Representative 31	Jan. 2018-Oct. 2022	Ronkonkoma	N/A	N/A	• August 2025: Suspended for excessively trading a Spartan customer account (no monetary sanctions imposed due to demonstrated inability to pay)
Spartan Representative 32	Jan. 2017-Dec. 2024	New York City	8 arbitrations (6 settled)	Frequently requested commission advances; discharged owing firm \$28,949.69	• August 2025: Suspended, fined, and ordered to pay restitution for excessively trading four Spartan customer accounts

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Spartan Representative 33	April 2017- Present	New York City	N/A	Frequently requested commission advances	• August 2025: Suspended for excessively trading two Spartan customer accounts (no monetary sanctions imposed due to demonstrated inability to pay) • April 2020: Suspended and ordered to pay partial restitution for excessively trading a customer account (no fine imposed due to demonstrated limited ability to pay)
Spartan Representative 34	Aug. 2017- May 2023	New York City	N/A	Occasionally requested commission advances	• May 2025: Suspended, fined, and ordered to pay restitution for excessively trading a Spartan customer account
Spartan Representative 35	May 2017- Oct. 2022	New York City	2 arbitrations (1 settled)	Subject of 7 tax liens/judgments; frequently requested commission advances	• September 2024: Complaint filed for failure to provide testimony in connection with a FINRA investigation into his trading of customer accounts at Spartan (hearing scheduled for February 2026)
Spartan Representative 36	July 2018-May 2023	New York City	2 settled arbitrations	Subject of a judgment; frequently requested commission advances	• May 2023: Deceased