

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

ANDREW PATRICK YORO
(CRD No. 6870944),

Respondent.

DISCIPLINARY PROCEEDING
No. 2018056934901

COMPLAINT

The Department of Enforcement alleges as follows:

SUMMARY

1. Andrew Patrick Yoro cheated on the Series 7 qualification exam. During unscheduled breaks during that exam, he consulted prohibited study materials and then changed some of his answers. He did so after acknowledging and agreeing to follow FINRA's Rules of Conduct for the exam, which prominently prohibited consulting study materials for the duration of the exam and prohibited locker access during unscheduled breaks.

2. By cheating on, and possessing unauthorized materials during, the Series 7 exam, Yoro violated NASD Rule 1080 and FINRA Rule 2010.

RESPONDENT AND JURISDICTION

3. Yoro entered the securities industry in October 2017 when he became associated with Charles Schwab & Co., Inc. (Schwab). Through Schwab, Yoro registered for and took the Series 7 qualification exam. He became registered with FINRA as a General Securities Representative in November 2017. On July 26, 2018, Schwab terminated Yoro's registration,

because “Mr. Yoro may not have followed the FINRA Rules of Conduct in connection with his Series 7 examination.”

4. Although Yoro 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 the effective date of termination of Yoro’s registration with Schwab, namely July 26, 2018; and (2) the Complaint charges Yoro with misconduct committed while he was associated or registered with a FINRA member.

FACTS

Series 7 Exam Background

5. The Series 7 exam assesses the competency of entry-level General Securities Representatives. It covers securities laws and regulations, investment strategies and recommendations, and other topics.

6. Until October 1, 2018, the Series 7 exam consisted of 250 multiple-choice questions, plus 10 unscored questions. To pass, candidates had to answer 72 percent of the scored questions correctly. Candidates had six hours—two three-hour sessions—to complete the exam.

7. At all relevant times herein, candidates taking the Series 7 exam were required to agree to abide by FINRA’s Rules of Conduct.

8. FINRA’s Rules of Conduct expressly prohibited the use or attempted use of any study materials during the exam sessions.

9. The Rules of Conduct included a disclaimer that “[t]est center personnel are NOT authorized to grant exceptions to any of these rules.”

10. The Rules of Conduct also included a section, titled “Attestation/Candidate Agreement,” which informed the candidate that if he or she did not follow the Rules of Conduct or was suspected of cheating, it could result in the candidate being barred from the financial services industry.

Yoro Cheated on the Series 7 Exam

11. On November 1, 2017, Yoro scheduled an appointment to take the Series 7 exam and received an email confirming his appointment at a testing center in Dallas, Texas.

12. The email provided information on the testing center’s security procedures, driving directions, and instructions on how to reschedule or cancel the appointment. The email also provided information regarding FINRA’s Rules of Conduct that govern the exam.

13. Yoro took the Series 7 qualification exam on November 22, 2017.

14. Yoro brought a laminated commercial study guide for the exam to the testing center. Yoro’s study guide consisted of a single laminated note sheet, produced by a commercial test preparation company, containing information relating to the Series 7 exam. Yoro placed the study guide in a locker at the testing center.

15. Prior to Yoro entering the testing room, a test center staff member instructed Yoro individually that he was permitted access to his personal items only between the first and second exam sessions. The test center staff member also instructed Yoro that he would not have access to his locker during any unscheduled breaks that he took during either exam session.

16. Yoro was required to read and agree to the Rules of Conduct before he was permitted to start each session of the exam.

17. Yoro agreed to not use or attempt to use any personal items, including study materials during the exam. Yoro also agreed that any unscheduled breaks he took were only for restroom use and that he would not access his locker.

18. Yoro acknowledged that if he did not follow FINRA's Rules of Conduct, he could be subject to disciplinary action and barred from the financial services industry.

19. During the first exam session, Yoro took two unscheduled breaks. During the second exam session, Yoro took one unscheduled break.

20. During each of those breaks, Yoro retrieved and reviewed his study guide in violation of the Rules of Conduct.

21. No one authorized Yoro to retrieve or consult his study guide during any of the three unscheduled breaks.

22. Yoro retrieved his study guide to refresh his understanding and memory of the Series 7 exam material.

23. Following his first unscheduled break, and after Yoro consulted his study guide, Yoro reviewed all 130 of his previously answered questions from the first session of the exam. Yoro changed answers to four of those previously answered questions, changing two answers from incorrect answers to correct answers.

24. After his second unscheduled break, and after Yoro consulted his study guide, Yoro reviewed seven of his previously answered questions. Yoro changed answers to three of those previously answered questions, changing one answer from an incorrect answer to a correct answer.

25. After his third unscheduled break, and after Yoro again consulted his study guide, Yoro reviewed 12 of his previously answered questions. Yoro changed answers to four of those

previously answered questions, changing all four answers from incorrect answers to correct answers.

CAUSE OF ACTION
CHEATING ON, AND POSSESSING UNAUTHORIZED
MATERIALS DURING, A QUALIFICATION EXAM
(Violation of NASD Rule 1080 and FINRA Rule 2010)

26. The Department of Enforcement re-alleges and incorporates by reference paragraphs 1–25, above.

27. NASD Rule 1080 states, in part, that “[a]n applicant [for a qualification examination] cannot receive assistance while taking the examination.”

28. FINRA Rule 2010 requires an associated person to “observe high standards of commercial honor and just and equitable principles of trade” and prohibits possessing or consulting study materials during a qualification examination.

29. By possessing a study guide without permission while he took the Series 7 exam, Yoro violated NASD Rule 1080 and FINRA Rule 2010.

30. By consulting a study guide while he took the Series 7 exam, Yoro violated NASD Rule 1080 and FINRA Rule 2010.

31. By reviewing and changing answers to the Series 7 exam after consulting a study guide during unscheduled breaks, Yoro violated NASD Rule 1080 and FINRA Rule 2010.

RELIEF REQUESTED

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

- A. make findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), be imposed; and

- C. order that Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: June 19, 2019



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