

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2018057626102**

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

RE: Yousuf Saljooki, Respondent
Former General Securities Representative
CRD No. 5045123

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Yousuf Saljooki ("Saljooki") submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A.** I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Saljooki first entered the securities industry in October 2005 when he became associated with a FINRA member and became registered with FINRA as a General Securities Representative (GS) in January 2006. Since 2006, he has been associated as a GS with nine different FINRA member firms. As is relevant here, between December 22, 2017 and April 20, 2018, Saljooki was registered as a GS with Worden Capital Management LLC (BD No. 148366) (Worden). By Uniform Termination Notice for Securities Industry Registration (Form U5) dated April 20, 2018, Worden disclosed to FINRA that it discharged Saljooki when it learned that Saljooki became subject to a statutorily disqualification on April 13, 2018. Worden also filed an amended Form U5 on May 7, 2018, disclosing that Saljooki serviced customers in states where he was not registered by using another registered representative's code.

Since April 20, 2018, Saljooki has not been associated with any FINRA member. Saljooki is not currently registered with FINRA, but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of the FINRA By-Laws.

RELEVANT DISCIPLINARY HISTORY

On April 5, 2018, Saljooki entered into a consent order with the State of Arkansas Securities Department in which Saljooki agreed that he failed to disclose a federal tax lien while applying for registration in Arkansas. As a result, Saljooki's application for registration in Arkansas was denied and he is barred from applying for registration in Arkansas for five years from the date of the Order.

OVERVIEW

Between December 17, 2017 and January 16, 2018, Saljooki willfully failed to timely disclose an unsatisfied federal tax lien in violation of Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010.

Additionally, between December 2017 and April 2018, Saljooki recommended and effected securities transactions for nine customers in states where he was not licensed to sell securities using the registered representative code of another registered representative who was licensed in those states. Saljooki thus caused Worden to maintain inaccurate books and records, and he violated FINRA Rules 4511 and 2010.

Finally, during FINRA's investigation into both the federal tax lien and Saljooki's use of another registered representative's code, Saljooki failed to timely respond to requests for documents and information sent pursuant to FINRA Rule 8210, in violation of FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

Willful Failure to Disclose Federal Tax Lien

Article V, Section 2(c) of FINRA's By-Laws requires a registered representative to keep his Uniform Application for Securities Industry Registration or Transfer (Form U4) current at all times. Amendments to Forms U4 must be filed not later than 30 days after learning of the facts or circumstances giving rise to the amendment.

FINRA Rule 1122 provides, "No member or person associated with a member shall file with FINRA information with respect to membership or registration which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof."

A violation of Article V and FINRA Rule 1122 also constitutes a violation of FINRA Rule 2010, which requires all members to conduct business with high standards of commercial honor and just and equitable principles of trade.

At all relevant times, Question 14M of the Form U4 asked: "Do you have any unsatisfied judgments or liens against you?" If the answer is yes, the registered person is required to provide details about the judgment or lien.

The Internal Revenue Service (IRS) filed a federal tax lien against Saljooki on February 12, 2016 in the amount of \$227,859.29 for the 2012 tax year. No later than December 17, 2017, Saljooki knew about this tax lien. At that time, Worden told Saljooki to amend his Form U4. Nonetheless, Saljooki failed to take steps to amend his Form U4 in a timely fashion. On February 23, 2018, Worden amended Saljooki's Form U4 to disclose the tax lien. Accordingly, Saljooki willfully failed to disclose the federal tax lien, a reportable event that was material information, within 30 days of being notified of the lien.

By willfully failing to timely disclose the IRS tax lien, Saljooki violated Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010.

Causing Inaccurate Books and Records

FINRA Rule 4511(a) requires member firms to "make and preserve books and records as required under the FINRA rules, the [Securities] Exchange Act [of 1934 (the "Exchange Act")] and the applicable Exchange Act rules." Exchange Act Rule 17a-3 requires a firm to make and keep current certain books and records relating to its business, including memoranda of each brokerage order. Inherent in this recordkeeping requirement is the obligation to maintain accurate records. By causing a firm to maintain inaccurate books and records, a registered representative violates FINRA Rule 4511 and FINRA Rule 2010.

Between December 2017 and April 2018, Saljooki recommended and effected securities transactions in accounts for nine customers, who resided in states where Saljooki was not licensed to sell securities. Saljooki effected the transactions using the registered representative code of another registered representative who was licensed in those states. Saljooki thus caused Worden to maintain inaccurate books and records.

By virtue of the foregoing, Saljooki violated FINRA Rules 4511 and 2010.

Failure to Timely Cooperate

FINRA Rule 8210 authorizes FINRA to "require a member, person associated with a member, or any other person subject to FINRA's jurisdiction to provide information ... in writing, or electronically ... if requested, ... with respect to any matter involved in the investigation, complaint, examination, or proceeding." FINRA Rule 8210(c) further states that "[n]o member or [associated] person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule."

Saljooki repeatedly failed to cooperate in a timely fashion. On June 7, 2018 and June 22, 2018, FINRA's staff sent requests for documents and information regarding the tax lien to Saljooki pursuant to FINRA Rule 8210. The requests were sent to the address listed on the Central Registration Depository (CRD Address). Saljooki's responses to the Rule 8210 requests letters were due June 21, 2018 and July 6, 2018, respectively. Saljooki failed to respond to both requests, which prompted the commencement of an expedited proceeding pursuant to FINRA Rule 9552. In connection with that proceeding, Saljooki was suspended on August 6, 2018. Pursuant to FINRA Rule 9552, Saljooki was to be barred for his failure to respond on October 15, 2018. On October 11, 2018, however, Saljooki provided an untimely response to the June 2018 requests.

On October 16, 2018, October 31, 2018, November 29, 2018, and January 23, 2019, FINRA staff sent requests for documents and information to Saljooki, pursuant to FINRA Rule 8210 regarding Saljooki's use of the registered representative code of another registered representative to effect securities transactions. The requests were sent to Saljooki's CRD Address. Saljooki's response to the Rule 8210 request letters were due October 30, 2018, November 14, 2018, December 13, 2018, and January 29, 2019, respectively. Saljooki failed to respond to the requests for documents and information until June 24, 2019. By virtue of the foregoing, Saljooki violated FINRA Rules 8210 and 2010.

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

- A nine month suspension
- \$20,000 fine

The fine shall be due and payable either immediately upon reassociation with a member firm, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Exchange Act. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

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

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

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a Complaint issued specifying the allegations against me;**
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;**
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and**
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.**

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

I understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;**
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and**

C. If accepted:

1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I understand and acknowledge that FINRA does not represent or advise me and I cannot rely on FINRA or FINRA staff members for legal advice; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

07/02/2019
Date (mm/dd/yyyy)

Yousuf Saljooki
Yousuf Saljooki

Accepted by FINRA:

07/29/2014
Date

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

Ralph Delouis

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