

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

Department of Enforcement,

Complainant,

v.

William Nicholas Athas
(CRD No. 3165470),

Respondent.

DISCIPLINARY PROCEEDING
No. 2018057883102

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. From December 2014 through April 2020, Respondent William Nicholas Athas, while associated with K.C. Ward Financial (CRD No. 145135) and Worden Capital Management LLC (CRD No. 148366), churned and excessively traded nine accounts of seven different customers. During this period, Athas—who exercised *de facto* control over each of these accounts—continuously executed short-term equities trades in the accounts, holding stocks for an average of approximately 20 days. When combined with his customary high commissions on each trade—2% to 3% on both buy and sells—and the use of margin in some accounts, Athas’ trading resulted in cost-to-equity ratios ranging from approximately 56% to 246%, and turnover rates ranging from approximately 17 to 75. Athas’ churning and excessive trading caused these customers to pay approximately \$1.6 million in commissions and other trading costs and to suffer approximately \$1.1 million in losses. Conversely, Athas generated commissions of approximately \$1.5 million for himself and his firms.

By churning and excessively trading the nine accounts, Athas willfully violated Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder, and he also violated FINRA Rules 2111, 2020, and 2010.

2. Athas also failed to have a reasonable basis to believe that his recommended trading strategy was suitable for at least some customers. When recommending trades, Athas failed to consider how the cumulative costs associated with his frequent, high-commission trading, often on margin, would impact the ability of his customers to earn a profit. As a result, Athas also failed to fulfill his reasonable basis suitability obligations, in violation of FINRA Rules 2111 and 2010.

RESPONDENT AND JURISDICTION

3. Athas first became registered with FINRA in January 1999.

4. Athas was registered as a General Securities Representative through an association with K.C. Ward Financial from December 2014 to August 2016. While registered through K.C. Ward, Athas received approximately 75% to 80% of gross commissions generated from his trades.

5. Athas was registered as a General Securities Representative through an association with Worden Capital Management from July 2016 to August 2020. While registered through Worden Capital, Athas received approximately 70% to 75% of gross commissions generated from his trades.

6. From August 24, 2020 to December 22, 2021, Athas was registered as a General Securities Representative through an association with SW Financial (CRD No. 145012).

7. Although Respondent 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 22, 2021, which was the effective date of termination of Respondent's registration with SW Financial, and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

FACTS

Athas' Excessive and Unsuitable Trading

8. While associated with K.C. Ward and, later, Worden Capital, Athas opened accounts through cold calling. During these cold calls, Athas touted his sophistication and knowledge of the financial markets and promised significant returns.

9. Athas first contacted the customers who are the subject of this Complaint through cold calls. The customers believed Athas' claims about his knowledge of the financial markets and his promises of significant returns.

10. The customers were small business owners or building contractors who had no experience with short-term stock trading or its costs. Nearly all were inexperienced investors.

11. After the accounts were opened, Athas frequently called the customers with new stock recommendations and engaged in high-pressured sales tactics.

12. The customers relied on Athas' advice and consistently followed his recommendations to buy or sell securities.

13. Athas solicited all or nearly all of the securities transactions in the nine accounts.

14. Athas controlled the volume and frequency of trading in the nine accounts.

15. From December 2014 through April 2020, Athas recommended and executed the same active in-and-out trading strategy in the nine accounts. Athas recommended that each

customer purchase a stock, and soon thereafter he recommended that the customer sell that stock and use the proceeds to purchase a different stock.

16. The average holding period for stock positions in the nine accounts was approximately 20 days.

17. Athas typically charged commissions of 2% to 3% of the total equity value of the transaction on each buy and sell transaction that he placed in the nine accounts.

18. Additionally, Athas frequently recommended that his customers utilize margin when purchasing stocks. When recommending purchases on margin, Athas still typically charged commissions of 2% to 3% of the total principal value of each transaction.

19. Athas' frequent trading in these nine accounts resulted in turnover rates (annualized if the account was open for more than one year) ranging from approximately 17 to 75. The turnover rate is the number of times during a given period that the securities in an account are replaced by new securities.

20. Athas' recommendations in these nine accounts resulted in cost-to-equity ratios (annualized if the account was open for more than one year) ranging from approximately 56% to 246%. An account's cost-to-equity ratio measures the amount an account has to appreciate just to cover commissions and other expenses. In other words, it is the break-even point where a customer may begin to see a return.

21. Athas was not familiar with how turnover rates or cost-to-equity ratios were calculated. As a result, he failed to calculate or consider these metrics when recommending trades in the customers' accounts.

22. When making recommendations for the nine accounts, Athas failed to take into account the cumulative trading costs resulting from the 2% to 3% commissions he charged on

each buy and sell transaction. Athas also failed to consider how commissions were affecting the value of the accounts.

23. When recommending purchases on margin, Athas failed to consider the increased trade costs resulting from charging the same 2% to 3% commissions on trades with higher equity values. Athas also failed to consider how these commissions were affecting the value of the accounts.

24. When recommending purchases on margin, Athas also failed to consider the margin interest that the customers were being charged, or how margin interest was affecting the value of the accounts.

25. Athas' frequent trading, combined with the high commissions and other trading costs he charged, made it virtually impossible for the affected customers to earn sufficient returns to cover account costs, much less earn a profit.

26. Athas' recommendations resulted in the customers paying commissions totaling approximately \$1.5 million.

27. Athas' recommendations resulted in the customers paying a total of approximately \$83,000 in margin interest.

28. Athas' recommendations resulted in the customers paying total trading costs (including commissions, margin interest, and other fees) of approximately \$1.6 million.

29. The customers suffered approximately \$1.1 million in combined losses.

Customer 1

30. Customer 1 is a 54-year-old restaurant owner residing in New York.

31. Despite statements to the contrary on his new account documents, Customer 1 was an inexperienced stock investor. Customer 1 had no experience with short-term stock trading or the use of margin.

32. Customer 1 held three accounts with Athas—one in his own name at K.C. Ward (Personal Account) and two at Worden Capital in the name of two restaurants he owned (Restaurant 1 Account and Restaurant 2 Account).

33. Customer 1 explained to Athas that all three accounts held his retirement savings.

34. From June 2015 to April 2016, Customer 1 maintained his Personal Account with Athas at K.C. Ward. The account had an average monthly balance of approximately \$50,600.

35. During this period, Athas solicited 102 short-term trades in the Personal Account totaling approximately \$3,789,900 in principal value. Athas held stock shares in this account for, on average, only 11 days.

36. Athas' excessive trading in Customer 1's Personal Account resulted in that account incurring total transaction costs of approximately \$111,500, including approximately \$104,700 in commissions and approximately \$2,300 in margin interest.

37. Athas' trading activity in Customer 1's Personal Account resulted in a turnover rate of approximately 75 and a cost-to-equity ratio of approximately 220%.

38. Athas' trading activity in Customer 1's Personal Account caused the account to suffer at least \$59,000 in realized losses.

39. From August 2016 to May 2017, Customer 1 maintained the Restaurant 1 Account with Athas at Worden Capital. The account had an average monthly balance of approximately \$192,200.

40. During this period, Athas solicited 111 short-term trades in the Restaurant 1 Account totaling approximately \$5.5 million in principal value. Athas held stock shares in this account for, on average, only 22 days.

41. Athas' excessive trading in the Restaurant 1 Account resulted in that account incurring total transaction costs of approximately \$304,100, including approximately \$283,200 in commissions and approximately \$16,100 in margin interest.

42. Athas' trading activity in the Restaurant 1 Account resulted in a turnover rate of approximately 29 and a cost-to-equity ratio of approximately 158%.

43. Athas' trading activity in the Restaurant 1 Account caused the account to suffer at least \$45,000 in realized losses.

44. From June 2017 to September 2018, Customer 1 maintained the Restaurant 2 Account with Athas at Worden Capital. The account had an average monthly balance of approximately \$32,600.

45. During this period, Athas solicited 128 short-term trades in the Restaurant 2 Account totaling approximately \$3.3 million in principal value. Athas held stock shares in this account for, on average, only 11 days.

46. Athas' excessive trading in the Restaurant 2 Account resulted in that account incurring total transaction costs of approximately \$107,000, including approximately \$96,200 in commissions and approximately \$4,500 in margin interest.

47. Athas' trading activity in the Restaurant 2 Account resulted in an annualized turnover rate of approximately 75 and an annualized cost-to-equity ratio of approximately 246%.

48. Athas' trading activity in the Restaurant 2 Account caused the account to suffer at least \$144,000 in realized losses.

49. Customer 1 relied on Athas to make the recommendations in all three accounts and he consistently followed Athas' recommendations.

50. Customer 1 was willing to accept some investment risk, but he did not agree to trading that would deplete his accounts with virtually no hope of making a profit, while also enriching Athas.

51. Athas' supervisor at Worden Capital warned him about the level of trading in, and the amount of commissions charged to, the Restaurant 2 Account in April 2017, February 2018, and March 2018. Athas continued to excessively trade customer accounts after these warnings.

Customer 2

52. Customer 2 was a 62-year-old electrical contractor from Mississippi. Customer 2 died in 2020.

53. Despite statements to the contrary on his new account documents, Customer 2 was an inexperienced stock investor. Customer 2 had no experience with short-term stock trading or the use of margin.

54. Customer 2 explained to Athas that the account held his retirement savings.

55. From December 2014 to October 2015, Customer 2 maintained an account with Athas at K.C. Ward. The account had an average monthly balance of approximately \$439,500.

56. During this period, Athas solicited 143 short-term trades in this account totaling approximately \$7.39 million in principal value. Athas held stock shares in this account for, on average, only 23 days.

57. Athas' excessive trading in Customer 2's account resulted in that account incurring total transaction costs of approximately \$246,400, including approximately \$230,200 in commissions and approximately \$8,100 in margin interest.

58. Athas' trading activity in Customer 2's account resulted in a turnover rate of approximately 17 and a cost-to-equity ratio of approximately 56%.

59. Athas' trading activity in Customer 2's account caused the account to suffer at least \$272,000 in realized losses.

60. Customer 2 relied on Athas to make the recommendations in his account and he consistently followed Athas' recommendations.

61. Customer 2 was willing to accept some investment risk, but he did not agree to trading that would deplete his account with virtually no hope of making a profit, while also enriching Athas.

Customer 3

62. Customer 3 is an 80-year-old retired real-estate developer residing in Maryland.

63. Despite statements to the contrary on his new account documents, Customer 3 was an inexperienced stock investor. Customer 3 had no experience with short-term stock trading or the use of margin.

64. From March 2018 to June 2019, Customer 3 maintained an account with Athas at Worden Capital. The account had an average monthly balance of approximately \$401,100.

65. During this period, Athas solicited 231 short-term trades in this account totaling approximately \$14 million in principal value. Athas held stock shares in this account for, on average, only 19 days.

66. Athas' excessive trading in Customer 3's account resulted in that account incurring total transaction costs of approximately \$493,500, including approximately \$456,500 in commissions and approximately \$18,000 in margin interest.

67. Athas' trading activity in Customer 3's account resulted in an annualized turnover rate of approximately 26 and an annualized cost-to-equity ratio of approximately 92%.

68. Athas' trading activity in Customer 3's account caused the account to suffer at least \$295,000 in realized losses.

69. Customer 3 relied on Athas to make the recommendations in his account and he consistently followed Athas' recommendations.

70. Customer 3 was willing to accept some investment risk, but he did not agree to trading that would deplete his account with virtually no hope of making a profit, while also enriching Athas.

71. As a result of the high commissions that Athas charged Customer 3, Athas' supervisor at Worden Capital told Athas that the firm was restricting the commissions that Athas could charge in Customer 3's account beginning in January 2019.

72. In April 2019, Athas' supervisor at Worden Capital warned him about the level of trading in, and the amount of commissions charged to, Customer 3's account. Athas continued to excessively trade customer accounts after this warning.

Customer 4

73. Customer 4 is a 49-year-old steel contractor residing in Texas.

74. Customer 4 was an inexperienced investor. Customer 4 had no experience with short-term stock trading or the use of margin.

75. From December 2017 to June 2019, Customer 4 maintained an account with Athas at Worden Capital. The account had an average monthly balance of approximately \$45,700.

76. During this period, Athas solicited 76 short-term trades in this account totaling approximately \$2.8 million in principal value. Athas held stock shares in this account for, on average, only 23 days.

77. Athas' excessive trading in Customer 4's account resulted in that account incurring total transaction costs of approximately \$100,000, including approximately \$89,100 in commissions and approximately \$4,900 in margin interest.

78. Athas' trading activity in Customer 4's account resulted in an annualized turnover rate of approximately 39 and an annualized cost-to-equity ratio of approximately 138%.

79. Athas' trading activity in Customer 4's account caused the account to suffer at least \$136,000 in realized losses.

80. Customer 4 relied on Athas to make the recommendations in his account and he consistently followed Athas' recommendations.

81. Customer 4 was willing to accept some investment risk, but he did not agree to trading that would deplete his account with virtually no hope of making a profit, while also enriching Athas.

82. As a result of the high commissions that Athas charged Customer 4, Athas' supervisor at Worden Capital told Athas that the firm was restricting the commissions that Athas could charge in Customer 4's account beginning in September 2018. Athas continued to excessively trade customer accounts after the firm restricted commissions in Customer 4's account.

Customer 5

83. Customer 5 is a 71-year-old building contractor residing in South Carolina.

84. Customer 5 had some investment experience, but he had no experience with short-term stock trading.

85. From December 2017 to March 2019, Customer 5 maintained an account with Athas at Worden Capital. The account had an average monthly balance of approximately \$21,300.

86. During this period, Athas solicited 53 short-term trades in this account totaling approximately \$791,300 in principal value. Athas held stock shares in this account for, on average, only 20 days.

87. Athas' excessive trading in Customer 5's account resulted in that account incurring total transaction costs of approximately \$35,700, including approximately \$31,100 in commissions and approximately \$500 in margin interest.

88. Athas' trading activity in Customer 5's account resulted in an annualized turnover rate of approximately 28 and an annualized cost-to-equity ratio of approximately 126%.

89. Athas' trading activity in Customer 5's account caused the account to suffer at least \$41,000 in realized losses.

90. Customer 5 relied on Athas to make the recommendations in his account and he consistently followed Athas' recommendations.

91. Customer 5 was willing to accept some investment risk, but he did not agree to trading that would deplete his account with virtually no hope of making a profit, while also enriching Athas.

92. Athas' supervisor at Worden Capital warned him about the level of trading in, and the amount of commissions charged to, Customer 5's account in May 2018. Athas continued to excessively trade customer accounts after this warning.

Customer 6

93. Customer 6 is a 58-year-old owner of a sheet metal fabricating business residing in Minnesota.

94. Customer 6 had some investment experience, but he had no experience with short-term stock trading.

95. From May 2017 to March 2018, Customer 6 maintained an account with Athas at Worden Capital. The account had an average monthly balance of approximately \$14,500.

96. During this period, Athas solicited 52 short-term trades in this account totaling approximately \$749,100 in principal value. Athas held stock shares in this account for, on average, only 20 days.

97. Athas' excessive trading in Customer 6's account resulted in that account incurring total transaction costs of approximately \$32,700, including approximately \$29,200 in commissions and approximately \$1,500 in margin interest.

98. Athas' trading activity in Customer 6's account resulted in a turnover rate of approximately 52 and a cost-to-equity ratio of approximately 226%.

99. Athas' trading activity in Customer 6's account caused the account to suffer at least \$14,000 in realized losses.

100. Customer 6 relied on Athas to make the recommendations in his account and he consistently followed Athas' recommendations.

101. Customer 6 was willing to accept some investment risk, but he did not agree to trading that would deplete his account with virtually no hope of making a profit, while also enriching Athas.

Customer 7

102. Customer 7 is a 29-year-old computer/software consultant residing in the Washington, DC area. Customer 7 is disabled.

103. Customer 7 had some investment experience, but he had no experience with short-term stock trading.

104. From May 2019 to April 2020, Customer 7 maintained an account with Athas at Worden Capital. The account had an average monthly balance of approximately \$190,600.

105. During this period, Athas solicited 124 trades in this account totaling approximately \$7.1 million in principal value. Athas held stock shares in this account for, on average, only 25 days.

106. Athas' excessive trading in Customer 7's account resulted in that account incurring total transaction costs of approximately \$179,900, including approximately \$144,100 in commissions and approximately \$24,700 in margin interest.

107. Athas' trading activity in Customer 7's account resulted in an annualized turnover rate of approximately 37 and an annualized cost-to-equity ratio of approximately 94%.

108. Athas' trading activity in Customer 7's account caused the account to suffer at least \$84,000 in realized losses.

109. Customer 7 relied on Athas to make the recommendations in his account and he consistently followed Athas' recommendations.

110. Customer 7 was willing to accept some investment risk, but he did not agree to trading that would deplete his account, which represented his primary liquid assets, with virtually no hope of making a profit, while also enriching Athas.

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

111. Enforcement realleges and incorporates by reference all preceding paragraphs.

112. Section 10(b) of the Exchange Act is an anti-fraud rule. It prohibits the use of “any manipulative or deceptive device or contrivance” in connection with the purchase or sale of a security.

113. Exchange Act Rule 10b-5 further prohibits: (a) employing “any device, scheme, or artifice to defraud,” (b) making “any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made... not misleading,” and (c) engaging in “any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.”

114. FINRA Rule 2020 provides that “[n]o 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.”

115. FINRA Rule 2010 requires FINRA member firms and associated persons to “observe high standards of commercial honor and just and equitable principles of trade” in the conduct of their business.

116. Churning is fraudulent conduct that occurs in a broker-customer relationship 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 objectives; and (c) the broker acts with scienter, *i.e.*, with intent to defraud or with reckless disregard of the customer’s interests.

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

118. From December 2014 through April 2020, Athas controlled the trading in the accounts of Customers 1 through 7. Athas controlled the volume and frequency of trading in the accounts; he decided what securities to buy and sell, the quantity of each transaction, and the timing of each transaction. Athas also determined the commission he would charge for each transaction. Customers 1 through 7 routinely followed Athas' recommendations.

119. Athas' trading in these accounts was excessive and quantitatively unsuitable for each of the customers based on their investment profiles, as evidenced by the high turnover rates and cost-to-equity ratios, the frequency of the transactions, and the transaction costs incurred. Athas' trading in these accounts resulted in cost-to-equity ratios (annualized if the account was open for more than one year) ranging from approximately 56% to 246%, and turnover rates (annualized if the account was open for more than one year) ranging from approximately 17 to 75.

120. A turnover rate of six or a cost-to-equity ratio in excess of 20% generally indicates that excessive trading has occurred.

121. Athas acted with scienter. In churning his customers' accounts, Athas acted with intent to defraud or, at the very least, with reckless disregard of his customers' interests, seeking to maximize his own compensation in disregard of the interests of his customers. Athas deliberately incurred unreasonably high trading costs in these customers' accounts, which made it virtually impossible for the accounts to be profitable. Indeed, Athas' trading in the accounts of Customers 1 through 7 caused approximately \$1.1 million in losses, while Athas received substantial income from trading the accounts.

Athas persisted in his trading activity even after being warned about the excessive level of trading and high costs in these customer accounts on several occasions.

122. Athas' fraudulent acts were carried out by the use or means of the instrumentalities of interstate commerce and through the U.S. mail, and involved securities transactions on national securities exchanges.

123. As a result of the foregoing conduct, Athas willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and it violated FINRA Rules 2020 and 2010.

SECOND CAUSE OF ACTION
Excessive Trading/Quantitative Suitability
(Violations of FINRA Rules 2111 and 2010)

124. Enforcement realleges and incorporates by reference paragraphs 1 through 110.

125. FINRA Rule 2111 requires 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."

126. FINRA Rule 2111, former Supplementary Material 2111.05(c), which was in effect from May 1, 2014 through June 29, 2020, provided: "Quantitative suitability requires a member or associated person who has actual or de facto control over a customer account to 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). No 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."

127. Unsuitable excessive trading exists when a registered representative (1) has actual or *de facto* control over trading in a customer's account, and (2) the level of activity in that account is inconsistent with the customer's investment objectives, financial situation, and needs.

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

129. From December 2014 through April 2020, Athas controlled the trading in the accounts of Customers 1 through 7. Athas controlled the volume and frequency of trading in the accounts; he decided what securities to buy and sell, the quantity of each transaction, and the timing of each transaction. Athas also determined the commission he would charge for each transaction. Customers 1 through 7 routinely followed Athas' recommendations.

130. Athas' trading in these accounts was excessive and quantitatively unsuitable for each of the customers based on their investment profiles, as evidenced by the high turnover rates and cost-to-equity ratios, the frequency of the transactions, and the transaction costs incurred. Athas' trading in these accounts resulted in cost-to-equity ratios (annualized if the account was open for more than one year) ranging from approximately 56% to 246%, and turnover rates (annualized if the account was open for more than one year) ranging from approximately 17 to 75.

131. As a result of the foregoing conduct, Athas violated FINRA Rules 2111 and 2010.

THIRD CAUSE OF ACTION
Reasonable Basis Suitability
(Violations of FINRA Rules 2111 and 2010)

132. Enforcement realleges and incorporates by reference paragraphs 1 through 110 and 124 through 131.

133. FINRA Rule 2111 requires that an associated person "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 [firm] or associated person to ascertain the customer's investment profile."

134. Rule 2111, Supplementary Material 2111.03 explains the phrase "'investment strategy involving a security or securities' ... is to be interpreted broadly."

135. As explained in Rule 2111, Supplementary Material 2111.05(a):

The reasonable-basis obligation requires a member or associated person to have a reasonable basis to believe, based on reasonable diligence, that the recommendation is suitable for at least *some* investors. In general, what constitutes reasonable diligence will vary depending on, among other things, the complexity of and risks associated with the security or investment strategy and the member's or associated person's familiarity with the security or investment strategy. A member's or associated person's reasonable diligence must provide the member or associated person with an understanding of the potential risks and rewards associated with the recommended security or strategy. The lack of such an understanding when recommending a security or strategy violates the suitability rule.

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

137. From December 2014 through April 2020, Athas recommended that Customers 1 through 7 engage in short-term, in-and-out trading, often on margin, without having a reasonable basis to recommend that trading strategy to his customers. His recommended strategy therefore was not suitable.

138. Athas failed to perform reasonable diligence to understand the cumulative costs of his trading, including commissions, other trading costs, and margin interest. Athas also failed to perform reasonable diligence to understand the impact of these cumulative costs on the value of his customers' accounts or the ability of his customers to earn a profit.

139. Athas also failed to understand turnover rates and cost-to-equity ratios, and therefore failed to calculate and consider these metrics when recommending and executing a short-term, in-and-out trading strategy in his customers' accounts.

140. As a result of the foregoing conduct, Athas violated FINRA Rules 2111 and 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, including that Respondent be required to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest;
- C. order that Respondent bears such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330; and
- D. make specific findings that Respondent William Athas willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

FINRA DEPARTMENT OF ENFORCEMENT

Date: January 18, 2022

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