

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2019063434601**

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

RE: ChoiceTrade (Respondent)
Member Firm
CRD No. 104021

Neville Golvala (Respondent)
General Securities Principal
CRD No. 1710355

Pursuant to FINRA Rule 9216, Respondents ChoiceTrade and Neville Golvala 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 Respondents alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondents accept and consent to the following findings by FINRA without admitting or denying them:

BACKGROUND

ChoiceTrade became a FINRA member in September 2000 and currently has three registered representatives. It operates an online self-directed trading platform. The firm is majority-owned by ChoiceTrade Holdings, Inc., which in turn is majority-owned by Golvala. ChoiceTrade Holdings has no operations other than as a holding company for ChoiceTrade, which is its sole asset.

Golvala was first registered with FINRA through his association with a member firm in 1987. He has been associated with ChoiceTrade as its Chief Executive Officer and Chief Compliance Officer since its inception. Golvala is currently registered as a General Securities Representative, General Securities Principal, Investment Company and Variable Contracts Products Representative, Compliance Officer, Financial and Operations Principal, Municipal Securities Principal, Registered Options Principal, Operations Professional, Securities Trader, and Securities Trader Principal. He is also the CEO of ChoiceTrade Holdings.¹

¹ For more information about the Respondents, visit BrokerCheck® at www.finra.org/brokercheck.

OVERVIEW

Between February 2018 and July 2019, ChoiceTrade and Golvala negligently caused to be disseminated promotional materials that contained material misstatements and omissions in connection with two securities offerings for ChoiceTrade Holdings. As a result, ChoiceTrade and Golvala violated FINRA Rule 2010 by acting in contravention of Section 17(a)(2) and (3) of the Securities Act of 1933.

FACTS AND VIOLATIVE CONDUCT

This matter originated from an investigation conducted by FINRA Member Supervision's Offerings Investigations Team.

Sections 17(a)(2) and (3) of the Securities Act provide, in relevant part:

It shall be unlawful for any person in the offer or sale of any securities...by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly— ...

(2) to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(3) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

FINRA Rule 2010 requires that FINRA members and associated persons observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business. It is a violation of FINRA Rule 2010 to act in contravention of Section 17(a) of the Securities Act.

ChoiceTrade and Golvala engaged a third party, who had previously been barred by the SEC and NASD, to promote two offerings for ChoiceTrade Holdings between February 2018 and July 2019. The third party prepared slides, articles, and videos that were disseminated to potential investors via email and via hyperlinks on the crowdfunding portal offering pages. The slides, articles, and videos contained several material misstatements and omissions about ChoiceTrade's business, including the following:

- One slide included statements that ChoiceTrade was a “cryptocurrency infrastructure provider” and a “front runner in the world of regulated crypto currencies.”
- An article suggested that ChoiceTrade could become the “Ameritrade of Crypto,” that it was “uniquely positioned to become the leading online crypto broker,” and that this made “the probability [] high that one of ChoiceTrade's larger competitors would make an attempt to acquire it.”

- A video stated that ChoiceTrade had “1,000X upside potential,” a “\$10,000 investment could soon turn into \$600,000,” and ChoiceTrade’s share price and valuation could soon increase “35X to \$50.00 and \$1 billion.”
- A video suggested that ChoiceTrade had a “micro-investing” app that could attract billions of users, which could increase ChoiceTrade’s value “from \$35 million market cap to \$1 billion.”

At no time did ChoiceTrade have any type of existing crypto asset business, ChoiceTrade did not have an operational micro-investing app, and there were no bases for the claims regarding ChoiceTrade’s share price, valuation, and acquisition prospects.

ChoiceTrade and Golvala negligently caused to be disseminated promotional materials that they should have known contained material misstatements and omitted material facts and should not have been distributed to potential investors. Therefore, ChoiceTrade and Golvala violated FINRA Rule 2010 by acting in contravention of Section 17(a)(2) and (3) of the Securities Act.

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

ChoiceTrade:

- a censure and
- a \$15,000 fine.²

Golvala:

- a three-month suspension from associating with any FINRA member in all capacities and
- a \$15,000 fine.

Respondents agree to pay the monetary sanctions upon notice that this AWC has been accepted and that such payment is due and payable. Respondents have submitted Election of Payment forms showing the method by which they propose to pay the fine imposed.

Respondents specifically and voluntarily waive any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanctions imposed in this matter.

Respondent Golvala understands that if he is barred or suspended from associating with any FINRA member, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA’s By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, he may not be associated with any

² Pursuant to the General Principles Applicable to all Sanction Determinations contained in FINRA’s *Sanction Guidelines*, FINRA imposed a lower fine in this case after it considered, among other things, Respondent’s revenues and financial resources.

FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. *See* FINRA Rules 8310 and 8311.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

II.

WAIVER OF PROCEDURAL RIGHTS

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

- A. To have a complaint issued specifying the allegations against them;
- 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, Respondents 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 its acceptance or rejection.

Respondents 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

Respondents 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 Respondents; and
- C. If accepted:
1. this AWC will become part of Respondents' permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondents;
 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 its subject matter in accordance with FINRA Rule 8313; and
 4. Respondents 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. Respondents 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 Respondents' right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondents' testimonial obligations in any litigation or other legal proceedings.
- D. Respondents may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents understand that they 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.

Respondent Neville Golvala certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; he has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

5-22-2023
Date


Neville Golvala
Respondent

The undersigned, on behalf of Respondent ChoiceTrade, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce it to submit this AWC.

5-22-2023
Date


ChoiceTrade
Respondent

By: Neville Golvala
Title: Chief Executive Officer

Reviewed by:


Patrick Gaffney
Counsel for Respondents
The Law Office of Patrick Gaffney
11 Broadway, Suite 715
New York, NY 10004

Accepted by FINRA:

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

June 9, 2023

Date



Edwin Aradi
Senior Counsel
FINRA
Department of Enforcement
15200 Omega Drive, 3rd Floor
Rockville, MD 20850