

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

Department of Enforcement,

Complainant,

v.

Suresh V. Kumar
CRD No. 5683972,

Respondent.

Disciplinary Proceeding
No. 2020066434701

Hearing Officer—MC

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: May 23, 2022

INTRODUCTION

Disciplinary Proceeding No. 2020066434701 was filed on April 20, 2022, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA or Complainant). Respondent Suresh V. Kumar submitted an Offer of Settlement (Offer) to Complainant dated May 11, 2022. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, 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, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of

Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Kumar first became registered with an exchange as a General Securities Representative in August 2009 through his association with an exchange member firm.

On September 5, 2013, Kumar became associated with T3 Trading, which was then not a FINRA member.

On October 21, 2019, Kumar first became registered with FINRA as a General Securities Representative and Securities Trader through his association with T3 Trading, which became a FINRA member as of October 8, 2019.

On April 23, 2020, T3 Trading filed a Uniform Termination Notice for Securities Industry Registration (Form U5) on behalf of Kumar, stating that he was discharged when "it was discovered that Mr. Kumar was using T3's name in a fraudulent scheme and took money from other potential traders. He had these people sign contracts with him that paid him significant money and made promises about things T3 would do for this person once they got licensed."

Although Kumar 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 April 23, 2020, which was the effective date of termination of Respondent's registration with T3 Trading, and (2) the Complaint charges him with misconduct committed while he was registered with FINRA or associated with a FINRA member and with providing false information, failing to provide information and documents, and failing to timely provide information and documents to FINRA

during the two-year period after the date upon which he ceased to be registered or associated with a FINRA member.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

SUMMARY

Both prior to and while registered with FINRA through his association with member firm T3 Trading, Group, LLC (T3 Trading), Respondent Suresh Kumar operated an undisclosed outside business activity where he directly received hundreds of thousands of dollars from proprietary traders (participants) pursuant to verbal and written agreements in which Kumar promised to train the participants to pass the Series 57 examination, teach them to trade securities as part of his purported “team” at T3 Trading, and double the value of their initial trading deposit with T3 Trading. Pursuant to these agreements, participants had to make an initial deposit into a “contingency fund” (hereafter, “contingency fund deposit”) while Kumar trained them for the Series 57 exam. If the participants wanted to discontinue the program before passing the Series 57, they were entitled to a refund of a substantial portion of their contingency fund deposit within three months.

Participant 1 entered into an agreement with Kumar in June 2018 and made a \$50,000 contingency fund deposit. After failing the Series 57 exam twice, Participant 1 told Kumar in October 2019 that he wanted to discontinue the program and asked Kumar for a refund. Under the terms of Participant 1’s agreement with Kumar, Kumar was obligated to return to Participant 1 \$48,000 of the \$50,000 within three months of Participant 1’s request to discontinue the training program—here, no later than January 31, 2020. Kumar did not return Participant 1’s funds by January 31, 2020.

Kumar violated FINRA Rule 2010 when he made material misrepresentations to Participant 1 in and around January 2020 about why he could not repay Participant 1 his money. Specifically, Kumar falsely stated that T3 Trading held \$100 million of Kumar's money and that Kumar could not repay Participant 1 until T3 Trading released the funds. T3 Trading was not holding \$100 million of Kumar's money, and the reason that Kumar could not repay Participant 1 his \$48,000 by January 2020 was because Kumar previously spent Participant 1's money on personal expenses and to repay a purported loan and had no other liquid assets with which to repay Participant 1. **(First Cause of Action).**

Although Kumar's outside business activity began years before he registered with FINRA in October 2019, Kumar continued to engage in the same outside business activity while he was registered with FINRA through his association with T3 Trading. Kumar, however, failed to disclose his outside business activity to T3 Trading and thereby violated FINRA Rules 3270 and 2010. **(Second Cause of Action).**

In furtherance of Kumar's outside business activity, Kumar also participated in undisclosed private securities transactions. From October 22, 2019, through April 22, 2020, Kumar failed to disclose to T3 Trading that he effected about 100 private securities transactions in brokerage accounts that Participant 1 and another participant (Participant 2) held away from T3 Trading. By participating in undisclosed private securities transactions, Kumar violated FINRA Rules 3280 and 2010. **(Third Cause of Action).**

In addition, Kumar submitted a false attestation to T3 Trading on January 15, 2020. Specifically, Kumar falsely attested that he did not conduct an outside business, did not engage in unapproved methods of electronic communications, and did not engage in private securities transactions. At the time of his attestation, however, Kumar was engaging in the outside business

activity and private securities transactions alleged above and also communicating with participants via WhatsApp, which was an unapproved method of electronic communication. By submitting a false attestation to T3 Trading, Kumar violated FINRA Rule 2010. (**Fourth Cause of Action**).

Furthermore, during Kumar's April 7, 2021, on-the record testimony, which he provided pursuant to FINRA Rule 8210, Kumar refused to answer certain questions regarding "deals" he claimed to have entered into that, according to Kumar, impacted his ability to repay participants. By refusing to provide this information to FINRA staff, which was material to FINRA's investigation, Kumar violated FINRA Rules 8210 and 2010. (**Fifth Cause of Action**).

In response to FINRA's written requests for information and documents issued pursuant to FINRA Rule 8210, Kumar provided false, misleading, and incomplete written responses regarding: the number of agreements he entered with participants, copies of those agreements, and the institutions at which he had bank accounts. By providing false, misleading, and incomplete responses, Kumar violated FINRA Rules 8210 and 2010. (**Sixth Cause of Action**).

Furthermore, in response to FINRA's requests for information and documents issued pursuant to Rule 8210, Kumar failed to provide FINRA staff with electronic communications they requested and also provided false statements regarding the same communications. Kumar also deleted the electronic communications that FINRA staff had requested. By failing to provide the requested documents, providing false statements, and deleting records requested by FINRA, Kumar violated FINRA Rules 8210 and 2010. (**Seventh Cause of Action**).

Finally, in response to FINRA's request for information and documents, Kumar failed to identify an overseas bank account he controlled until more than nine months after FINRA originally requested the information. Furthermore, Kumar failed to provide copies of statements

for the same overseas bank account until about ten months after FINRA originally requested them. By failing to timely provide the requested information and documents, Kumar violated FINRA Rules 8210 and 2010. (**Eighth Cause of Action**).

FACTS

Kumar Operates a Training Program for Proprietary Traders

Between approximately 2016 and June 2019, Kumar enrolled nine participants into a program he designed to help train and teach them to become proprietary traders. Each participant entered into a verbal or written agreement with Kumar that specified the terms and conditions of the training program.

The training program operated as follows: the participant was required to make up to a \$50,000 contingency fund deposit. In exchange, Kumar represented that he would help the participant study for and pass the Series 57 examination. Assuming the participant passed the Series 57 examination, the participant was required to deposit additional funds with T3 Trading (not with Kumar) as an “initial contribution.” After the participant made that initial contribution, Kumar would provide trading advice to help the participant double their initial contribution as part of Kumar’s “team” at T3 Trading. Once the participant doubled their initial contribution, Kumar was entitled to keep the participant’s contingency fund deposit.

Under the terms of the agreements, Kumar was required to return some or all of the participant’s contingency fund deposit within three months of the participant’s request to return those funds. In most cases, Kumar had to return: \$48,000 if the participant did not continue with the Series 57 training; \$50,000 if Kumar could not continue with the Series 57 training; \$40,000 if the participant quit after passing the Series 57, but before their initial contribution doubled; and \$50,000 if the participant’s initial contribution was reduced to zero dollars before it doubled.

T3 Trading was not a party to these agreements, and Kumar never disclosed to T3 Trading that he entered into such agreements or that he was conducting an outside business activity, to wit: training individuals to pass the Series 57 examination and trade in proprietary accounts.

Kumar Made Material Misrepresentations to Participant 1 About His Funds

On June 15, 2018, and June 25, 2018, Participant 1 wired a total of \$50,000 to Kumar. Participant 1 wired those funds to Kumar as a contingency fund deposit for the training program.

On June 30, 2018, Participant 1 and Kumar entered a written agreement so Participant 1 could participate in Kumar's training program.

On May 15, 2019, and again on October 7, 2019, Participant 1 attempted, but did not successfully pass, the Series 57 examination.

In and around the time that Participant 1 failed the Series 57 exam for the second time in October 2019, Participant 1 asked Kumar to return his contingency fund deposit because Participant 1 was no longer interested in pursuing the training program.

Under the terms of their agreement, Kumar was obligated to return \$48,000 to Participant 1 by no later than January 31, 2020.

Kumar failed to return any of the \$48,000 to which Participant 1 was entitled in January 2020.

In and around January 2020, when Participant 1 requested his money from Kumar again, Kumar verbally represented to Participant 1 that T3 Trading held his contingency fund deposit.

During that same conversation, Kumar also verbally represented to Participant 1 that T3 Trading held \$100 million of Kumar's funds and Kumar was unable to repay Participant 1 until T3 Trading released Kumar's funds.

Kumar's verbal representations were false and misleading. At the time he made these representations, Kumar had no more than \$2,500 with T3 Trading.

Kumar also knew at that time he made those verbal representations that he could not repay Participant 1 because Kumar previously spent Participant 1's contingency fund deposit on personal expenses and to repay a purported loan and had no other liquid assets with which to repay the funds.

Kumar Engaged in an Undisclosed Outside Business Activity

Between October 21, 2019, and April 23, 2020, Kumar ran his training program pursuant to the verbal and written agreements he entered with the participants.

Specifically, between October 21, 2019, and April 23, 2020, Kumar trained participants to take and pass the Series 57. This training included WhatsApp group chats in which Kumar provided examples of terms and definitions and answered participants' questions.

During this period, Kumar also provided trading advice to the participants by communicating his alleged securities purchases and sales and recommending the same transactions to the participants. Kumar used various WhatsApp group chats he established to provide the training and in furtherance of his attempt to help them double their initial contributions with T3 Trading.

In addition, during this period, as alleged below, Kumar entered trades in Participants 1 and 2's outside brokerage accounts to train them how to trade once they passed their Series 57 examination and began trading through an account at T3 Trading.

Kumar's activities with his training program were conducted outside the scope of his relationship with T3 Trading.

Kumar performed his activities with the training program with the expectation that he would receive compensation.

T3 Trading required associated persons to obtain prior written approval from the firm's Chief Compliance Officer before engaging in any outside employment or business activity, whether it involved securities or financial activities. Therefore, T3 Trading required associated persons submit an Outside Business Activity Disclosure Form before engaging in the activity.

However, Kumar neither notified T3 Trading, verbally or in writing, that he intended to conduct the outside business alleged above, nor received approval from T3 Trading for his outside business activity.

Kumar Traded in Accounts of Participants Away from T3 Trading Without Providing Written Notice to T3 Trading

On or before July 6, 2018, Kumar convinced Participant 1 to let Kumar trade in Participant 1's securities account at another broker-dealer (BD Account 1) as part of Kumar's securities trading training.

To facilitate such training, Kumar convinced Participant 1 to provide Kumar his login information so that Kumar could trade securities in BD Account 1.

Between November 8, 2019, and February 13, 2020, Kumar placed 33 securities transactions totaling \$1,422,340.04 in BD Account 1.

Kumar exercised discretion when he entered certain of these securities transactions in BD Account 1 without first speaking to Participant 1.

T3 Trading prohibited associated persons from conducting private securities transactions prior to approval by the firm.

Despite T3's policy prohibiting private securities transactions without prior approval from the firm, Kumar failed to disclose to T3 Trading that he was entering securities transactions

on behalf of Participant 1 at another broker-dealer and he did not receive approval from T3 Trading to conduct those securities transactions.

Around October 2018, Participant 2 gave Kumar his username and password for his IRA account at another broker-dealer (BD Account 2).

From October 22, 2019, through April 22, 2020, Kumar entered 69 securities transactions totaling \$2,037,189.94 in BD Account 2 by logging into the account using Participant 2's login credentials.

Kumar exercised discretion when he entered certain of these securities transactions in BD Account 2 without first speaking to Participant 2.

Furthermore, despite T3 Trading's policy, Kumar failed to disclose to T3 Trading that he was entering securities transactions on behalf of Participant 2 at another broker-dealer and he did not receive approval from T3 Trading to conduct these securities transactions.

Kumar Submitted a False Annual Attestation to T3

T3 Trading requested that Kumar complete an Associated Person Annual Affirmation each year.

On January 15, 2020, Kumar submitted the Associated Person Annual Affirmation September 2019 Update (2019 Annual Attestation).

Kumar provided the following false responses on his 2019 Annual Attestation:

- a. Kumar attested that he did not "currently maintain employment or a business outside of [T3]" and did not "receive compensation of any nature, directly or indirectly for any business activity outside of T3." In fact, as alleged herein, Kumar engaged in an undisclosed outside business activity with the participants at the time of the attestation for which he had received compensation.

b. Kumar attested that he understood that he “may not participate in any trading related chat rooms other than ones affiliated with T3 Live.” However, Kumar used WhatsApp to communicate with participants, which was not part of T3 Live, at the time of the attestation.

c. Kumar attested that he did not “maintain any account or solicit transactions on behalf of any retail customer.” However, as alleged here, Kumar engaged in private securities transactions on behalf of two participants by recommending and entering securities transactions in their retail accounts at other broker-dealers.

d. Kumar attested that he did not “exercise discretionary power over the account of any person or entity.” However, as alleged above, Kumar exercised discretion over BD Accounts 1 and 2 belonging to Participants 1 and 2.

e. Kumar affirmed that he understood that he may not “solicit customer transactions . . . trade for any other firm than T3 without prior written approval from the T3 office to which [he reported]; conduct any other business activity other than that of T3.” As alleged above, Kumar solicited trades in the accounts of two participants away from T3 Trading and conducted an outside business activity without providing prior notice to or seeking approval from T3 Trading.

Kumar Failed to Respond to Requests for Information During On-the-Record Testimony

On March 15, 2021, staff sent a request, pursuant to FINRA Rule 8210, requesting that Kumar provide on-the-record testimony. Pursuant to the request, Kumar appeared and provided testimony on April 7, 2021 (the First OTR).

During the First OTR, staff notified Kumar that he was providing testimony pursuant to FINRA Rule 8210.

During the First OTR, staff asked Kumar questions about WhatsApp communications between Kumar and Participant 3 in which Participant 3 repeatedly requested that Kumar return his money.

According to the WhatsApp communications, for at least six months, Participant 3 asked Kumar to return his money and Kumar repeatedly represented the money was forthcoming.

On January 7, 2021, Participant 3 again asked Kumar via WhatsApp to return his money. Kumar wrote “Good news is I have signed the deal last week.”

When staff asked Kumar for details about the deal to which he referred in his January 7, 2021 WhatsApp message, Kumar testified that it was “an oral thing.”

Staff repeatedly asked Kumar during the First OTR to name the individuals with whom he entered the purported verbal deal.

Kumar refused to answer staff’s questions. He stated “I can’t reveal that. . . . I want to keep it to myself. Keep it secret.”

During the First OTR, staff also asked Kumar about a January 17, 2021 WhatsApp communication in which Participant 3 wrote to Kumar, “I urgently need money. Can you please send it?”

Kumar responded in the WhatsApp communication, “I have signed the deal expecting it at any time.”

Staff asked Kumar about the signed deal Kumar referred to in his January 17, 2021 WhatsApp message.

This time, instead of claiming he had a verbal deal, Kumar testified that the deal was signed and cancelled.

Kumar similarly refused to answer staff's questions seeking the names of individuals with whom he entered the purported signed deal. Kumar stated, "I'm not going to reveal the names."

Staff reminded Kumar that pursuant to FINRA Rule 8210, Enforcement requested that he disclose the names of the people with whom he entered a signed deal even if it was cancelled. Kumar stated, "Since actually that it has become not in my favor, I mean I cancelled that and I'm not providing the names for that."

Kumar's failure to provide the names of the individuals with whom he entered the purported deals materially impeded FINRA's investigation because staff was unable to determine whether the deals involved any other participants.

Kumar Provided False, Misleading, and Incomplete Written Responses About the Number of Agreements Entered Into with Participants

On July 23, 2020, FINRA sent Kumar a request for, among other things, the names of all participants and copies of agreements entered into with the participants, pursuant to FINRA Rule 8210. FINRA sent the request by email to Kumar's personal email address and by first class and certified mail to his CRD Address and a second address. A response was due by August 6, 2020.

In Request 1(c) of the July 23, 2020 request, FINRA asked that Kumar provide:

[a] list of all people who entered into contracts with [him] for or in connection with the scheme, including phone numbers, e-mail addresses, mailing addresses, any other contact information [he] used to contact them, an explanation of how [he] first became introduced to them, the terms of the contracts, how the contracts were delivered, and how executed contracts were returned to [him].

In Request 1(d), of the July 23, 2020 request, FINRA asked for "[a] list of all people from whom he accepted money for or in connection with the scheme . . . the amount of money [he]

accepted from them, how [he was] paid, and supporting documentation reflecting each payment [he] received.”

On August 7, 2020, after Kumar failed to respond to the July 23, 2020 request, FINRA sent Kumar a second request pursuant to FINRA Rule 8210, which attached FINRA’s July 23, 2020 request.

In his August 13, 2020 response, Kumar identified only three participants, including Participant 1, with whom he entered agreements and provided copies of the agreements for those three participants.

Kumar, however, failed to identify and describe agreements he entered with six other participants, including Participants 2 and 3, and failed to provide copies of the additional written agreements.

Between August 2020 and February 2021, staff identified additional participants Kumar previously excluded from his responses.

On February 2, 2021, FINRA again requested, pursuant to FINRA Rule 8210, that Kumar “[p]rovide a written statement describing whether [he] entered into any agreements and/ or contracts with any other registered representatives, potential registered representatives, traders, and potential traders.” Staff also asked that Kumar provide “[a] list of all people who entered into such agreements and contracts with [Kumar]” and “[a] copy of the agreements and contracts if they are in writing, or a written statement describing the details of the substance and the intended scope of the relationship for all verbal agreements and contracts.”

By February 23, 2021, Kumar had only identified and provided copies of agreements he entered with three participants, including Participant 1, who Kumar identified in his August 13, 2020 response.

On February 23, 2021, Kumar submitted a written response to the February 2, 2021 Rule 8210 request.

Kumar's February 23, 2021 response was false because he wrote "nobody else," when, in fact, Kumar had entered into agreements with six additional participants including Participants 2 and 3.

Kumar's failure to provide the names and agreements for all participants both extended the length of FINRA's investigation and prevented FINRA from obtaining a full list of participants and investigating the scope of Kumar's misconduct.

Kumar Provided False, Misleading, and Incomplete Responses Regarding Bank Accounts and Failed to Timely Provide Copies of Bank Statements

On July 23, 2020, and August 7, 2020, FINRA requested, pursuant to FINRA Rule 8210, that Kumar "[i]dentify all bank accounts that [he] opened, owned, controlled, or in which [he] had a beneficial interest or signatory authority . . . [between December 1, 2016, and June 30, 2020]." (Request 3). Staff also asked for copies of account statements, for December 1, 2016, through June 30, 2020, for each account Kumar identified in his response to Request 3 (Request 4).

On August 13, 2020, Kumar responded to Request 3, stating "There was no account opened specifically for this so[-]called scheme. All transactions were made to my already existing [Bank 1] account [Kumar Account 1]"

In response to Request 4, Kumar provided only select bank statements for Kumar Account 1. Kumar did not provide all the bank statements for Kumar Account 1 from December 1, 2016, through June 30, 2020, or for any of his other bank accounts.

On October 2, 2020, FINRA requested, pursuant to FINRA Rule 8210, that Kumar provide a complete response to the July 23, 2020, and August 2, 2020, requests for a list of bank accounts and copies of the corresponding account statements.

In his October 15, 2020, response, Kumar identified four bank accounts at Bank 1, Kumar Accounts 1 through 4, and provided the account statements for those four accounts.

Kumar's October 15, 2020, response was false, misleading, and incomplete because Kumar did not identify an account he held at Bank 2 in India between December 1, 2016, and June 30, 2020, the relevant period of the Rule 8210 request (Kumar Account 5).

In order to ascertain the veracity of Kumar's previous 8210 responses, identify all potential participants, analyze Kumar's use of the participants' contingency fund deposits, and develop a full picture of Kumar's financial condition, on February 2, 2021, FINRA requested, pursuant to FINRA Rule 8210, that Kumar confirm that, from December 1, 2016, to June 30, 2020, he did not have any additional checking or savings accounts, and if he did have such accounts to provide copies of any such additional account statements.

On February 23, 2021, Kumar responded, "I do not have any additional checking or savings accounts."

Kumar's response was false because he had Kumar Account 5 during that period. Kumar also failed to provide staff with any account statements for Kumar Account 5 in response to its 8210 request.

During on-the-record testimony on May 5, 2021, in response to a question from staff about a transfer to Bank 2, Kumar finally identified that he had an account (Kumar Account 5) at Bank 2 in India.

Therefore, on May 18, 2021, FINRA requested, pursuant to FINRA Rule 8210, that Kumar provide copies of Kumar's statements for his account at Bank 2 (i.e., Kumar Account 5).

On May 24, 2021, after more than ten months of FINRA requesting identification of Kumar's bank accounts and production of bank records, Kumar provided copies of his statements for Kumar Account 5.

Kumar Failed to Provide Electronic Communications and Made False Statements Regarding the Communications

On July 23, 2020, and August 7, 2020, FINRA requested, pursuant to FINRA Rule 8210, that Kumar provide copies of all communications, including electronic communications, between Kumar and certain participants, including Participant 1, from December 1, 2016, through June 30, 2020.

On August 13, 2020, Kumar provided copies of emails containing the agreements he sent to certain participants. Kumar did not provide any other electronic communications. Instead, Kumar wrote "Emails attached" next to the participants' names and "No agreement or contract" next to the names of the three additional individuals.

By February 2021, FINRA learned that Kumar electronically communicated with participants via WhatsApp.

Therefore, to obtain copies of the WhatsApp and other potential electronic communications, on February 2, 2021, FINRA requested, pursuant to FINRA Rule 8210, that Kumar provide copies of incoming and outgoing electronic communications, including via WhatsApp, with Participant 1 and others.

In his February 23, 2021, response, Kumar wrote "I have already sent it;" however, Kumar had not provided staff with any WhatsApp communications.

During the First OTR on April 7, 2021, staff requested verbally, pursuant to FINRA Rule 8210, that Kumar provide copies of the electronic communications, including via WhatsApp. Specifically, staff asked Kumar to search his WhatsApp for chats with the name “Series 57.” Staff also notified Kumar during the First OTR that it would follow up its verbal request for the messages with a written Rule 8210 request after the First OTR.

After staff had made its verbal request and while still on-the-record, Kumar deleted four WhatsApp messages with the title “Series 57.”

Kumar also deleted two WhatsApp messages with the title “Series 57” during a subsequent break, while off-the-record.

On April 12, 2021, FINRA requested, pursuant to FINRA Rule 8210, that Kumar “provide copies of all electronic communications in Whats[A]pp groups with the name ‘Series 57’ in the group name” with anyone who he helped study for the Series 57 and anyone with whom he shared stock market and trading information.

In the April 12, 2021 request, staff also asked Kumar to provide copies of all electronic communications in his possession, custody, or control between him and a list of individuals including, but not limited to, Participants 1 and 2, between January 1, 2015, and April 23, 2020.

On April 26, 2021, in response to staff’s 8210 requests, Kumar provided two screenshots of his phone. The screenshots showed that Kumar had nine chats that included the phrase “Series 57” in the title.

Each of the nine chats, however, had no content within them.

Kumar deleted the content of three of the nine WhatsApp chats in the minutes before he took the two screenshots.

Nevertheless, Kumar falsely wrote in his response to staff, “I don’t have any Chat items, just sending the screen shots.”

FIRST CAUSE OF ACTION
Material Misrepresentations / Unethical Business Conduct
(Violation of FINRA Rule 2010)

FINRA Rule 2010 requires that members and associated persons, in the conduct of their business, “observe high standards of commercial honor and just and equitable principles of trade.”

Making material misrepresentations to a participant as part of an outside business activity constitutes unethical business conduct in violation of FINRA Rule 2010.

Participant 1 requested Kumar return his contingency fund deposit after Participant 1 took and failed the Series 57 examination and decided not to continue in Kumar’s training program.

In and around January 2020, Kumar was obligated to, but did not, repay Participant 1 his \$48,000 contingency fund deposit. Therefore Participant 1 inquired when Kumar would return his funds. In and around January 2020, Kumar falsely and misleadingly stated to Participant 1 that T3 Trading held \$100 million of Kumar’s money and that Kumar could not repay Participant 1 his \$48,000 contingency fund deposit until T3 Trading released Kumar’s funds.

In fact, at the time Kumar made those verbal representations, Kumar knew he had less than \$2,500 with T3 Trading.

Kumar knew he previously spent Participant 1’s contingency fund deposit on personal expenses and to repay a purported loan; he knew he had no other liquid assets with which to repay Participant 1.

By virtue of the foregoing, Kumar engaged in unethical business conduct by making material misrepresentations to Participant 1 and, therefore, Kumar violated FINRA Rule 2010.

**SECOND CAUSE OF ACTION
Undisclosed Outside Business Activity
(Violation of FINRA Rules 3270 and 2010)**

FINRA Rule 3270 states that

[n]o registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated, or have the reasonable expectation of compensation, from any other person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to the member, in such form as specified by the member. Passive investments and activities subject to the requirements of Rule 3280 shall be exempted from this requirement.

Violations of FINRA Rule 3270 are also violations of FINRA Rule 2010.

Between October 21, 2019, and April 23, 2020, Kumar conducted an outside business activity through his training program and pursuant to the agreements he entered with the participants, including by training the participants to pass the Series 57 and on how to trade their accounts at T3 Trading, communicating with participants regarding trading recommendations, and demonstrating certain trading activity directly in the outside brokerage accounts of certain participants.

Kumar had an expectation of compensation from the outside business activity he conducted.

Kumar's outside business activity training the participants was beyond the scope of his relationship with T3 Trading.

T3 Trading required associated persons to provide notice and obtain approval prior to conducting an outside business activity.

Kumar neither notified T3 Trading, verbally or in writing, that he intended to conduct this outside business activity, nor did he receive prior approval from T3 Trading.

By virtue of the foregoing undisclosed outside business activity, Kumar violated FINRA Rules 3270 and 2010.

**THIRD CAUSE OF ACTION
Private Securities Transactions
(Violation of FINRA Rules 3280 and 2010)**

FINRA Rule 3280 states that “[n]o person associated with a member shall participate in any manner in a private securities transaction” unless, prior to participation he provides “written notice to the member with which he is associated describing in detail the proposed transaction and the person’s proposed role therein[.]”

FINRA Rule 3280(e)(1) defines a private securities transaction as “any securities transaction outside the regular course or scope of an associated person’s employment with a member[.]”

Violations of FINRA Rule 3280 are also violations of FINRA Rule 2010.

From October 22, 2019, through April 23, 2020, Kumar placed about 100 private securities transactions in brokerage accounts of Participants 1 and 2 at two separate broker-dealers outside of the regular course or scope of his employment with T3 trading.

Kumar did not provide written notice to T3 Trading before participating in these private securities transactions.

By virtue of the foregoing private securities transactions, Kumar violated FINRA Rules 3280 and 2010.

FOURTH CAUSE OF ACTION
False Annual Attestation
(Violation of FINRA Rule 2010)

FINRA Rule 2010 requires that members and associated persons, in the conduct of their business, “observe high standards of commercial honor and just and equitable principles of trade.”

Providing false statements in Annual Attestations to a member firm is a violation of FINRA Rule 2010.

In 2020, T3 Trading requested that Kumar complete Annual Attestations.

T3 Trading notified Kumar that the Annual Attestations provided the firm with important information.

On January 15, 2020, Kumar submitted to T3 Trading an Annual Attestation that contained the false statements as alleged above.

By virtue of the foregoing false statements to the Firm, Kumar violated FINRA Rule 2010.

FIFTH CAUSE OF ACTION
Refusing to Provide Responses to FINRA
(Violation of FINRA Rules 8210 and 2010)

FINRA Rule 8210(a)(1) provides that for purposes of an investigation, complaint, examination, or proceeding, FINRA staff has the right to require a person associated with a member or any other person subject to FINRA’s jurisdiction to “provide information orally, in writing, or electronically . . . and to testify with respect to any matter involved in the investigation, complaint, examination, or proceeding.”

FINRA Rule 8210(a)(2) provides that for purposes of an investigation, FINRA staff has the right to “inspect and copy the books, records, and accounts of such member or person with

respect to any matter involved in the investigation [or] examination . . . that is in such member's or person's possession, custody or control."

FINRA Rule 8210(c) states, "[n]o member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records or accounts pursuant to [FINRA Rule 8210]."

Refusing to answer questions while providing testimony pursuant to FINRA Rule 8210, violates FINRA Rule 8210.

A violation of FINRA Rule 8210 is a violation of FINRA Rule 2010

On April 7, 2021, Kumar appeared for the First OTR, pursuant to FINRA Rule 8210.

During the First OTR, staff notified Kumar that he was giving testimony pursuant to FINRA Rule 8210, which required him to answer the staff's questions truthfully, accurately, and completely.

Staff also informed Kumar that the failure to answer questions completely or the failure to provide any information requested by the staff could violate FINRA Rule 8210 and could be the basis for the initiation of a disciplinary proceeding and could lead to the imposition of sanctions, including a bar from the securities industry.

As alleged above, Kumar refused to provide staff with information requested during the First OTR that was material to staff's investigation.

By refusing to provide the requested information during the First OTR, Kumar impeded FINRA's investigation into his conduct.

By refusing to answer staff's questions during testimony, Kumar violated FINRA Rules 8210 and 2010.

SIXTH CAUSE OF ACTION
Providing False, Misleading, and Incomplete Information to FINRA
(Violation of FINRA Rules 8210 and 2010)

Providing false, misleading, and incomplete information to FINRA in response to requests for information and documents made pursuant to FINRA Rule 8210 violates FINRA Rule 8210.

A violation of FINRA Rule 8210 is a violation of FINRA Rule 2010.

As alleged above, Kumar provided false, misleading, and incomplete responses to staff in response to requests for information and documents issued pursuant to FINRA Rule 8210.

In his October 15, 2020, response to FINRA's October 2, 2020 8210 request, Kumar provided a false, misleading, and incomplete list of bank accounts when he failed to identify Kumar Account 5, his offshore account he held in India, and provide copies of the requested statements for that account.

Kumar also provided a false, misleading, and incomplete response in his February 23, 2021, response to FINRA's February 2, 2021 8210 request when he wrote that he did not have any additional checking or savings accounts when Kumar had Kumar Account 5 in India and again failed to provide copies of the requested statements.

By providing false, misleading, and incomplete responses to FINRA, Kumar impeded FINRA's investigation into his conduct.

By virtue of the foregoing conduct, Kumar violated FINRA Rules 8210 and 2010.

SEVENTH CAUSE OF ACTION
Failure to Provide Electronic Communications, Providing
False Statements Regarding Communications, and Deleting Records Requested by FINRA
(Violation of FINRA Rules 8210 and 2010)

Failing to provide information and documents and providing false information in response to FINRA's requests for information and documents made pursuant to FINRA Rule 8210 violates FINRA Rule 8210.

A violation of FINRA Rule 8210 is a violation of FINRA Rule 2010.

As alleged above, Kumar failed to provide electronic communications that staff requested pursuant to FINRA Rule 8210, destroyed copies of electronic communications that were requested pursuant to FINRA Rule 8210, and provided false information to staff in response to requests issued pursuant to FINRA Rule 8210

The information and documents that Kumar failed to provide to staff in response to its requests was material to staff's investigation of Kumar's conduct.

By failing to provide the requested electronic communications, falsely claiming he provided all requested electronic communications, and deleting the requested electronic communications requested by FINRA pursuant to FINRA Rule 8210, Kumar impeded FINRA's investigation into his conduct.

By virtue of the foregoing conduct, Kumar violated FINRA Rules 8210 and 2010.

EIGHTH CAUSE OF ACTION
Failure to Timely Provide Information and Documents Requested by FINRA
(Violation of FINRA Rules 8210 and 2010)

The failure to timely provide information and documents to FINRA in response to a request made pursuant to FINRA Rule 8210 violates FINRA Rule 8210 and FINRA Rule 2010.

As alleged above, Kumar did not timely identify and provide account statements for Kumar Account 5 in response to FINRA's 8210 requests.

Kumar identified Kumar Account 5 and provided Kumar Account 5 statements more than nine and ten months, respectively, after FINRA originally requested the information and documents. Between the original request and his production of responsive documents ten months later, staff had issued Kumar four additional written requests pursuant to Rule 8210 seeking the same information and taken his on-the-record testimony on two occasions.

By failing to timely identify Kumar Account 5 and provide the Kumar Account 5 statements, Kumar impeded FINRA's investigation into his conduct.

By virtue of the foregoing, Kumar violated FINRA Rules 8210 and 2010.

Based on the foregoing, Respondent violated FINRA Rule 2010 [Material Misrepresentations / Unethical Business Conduct], FINRA Rules 3270 and 2010 [Undisclosed Outside Business Activity], FINRA Rules 3280 and 2010 [Private Securities Transactions], FINRA Rule 2010 [False Annual Attestation], FINRA Rules 8210 and 2010 [Refusing to Provide Responses to FINRA], FINRA Rules 8210 and 2010 [Providing False, Misleading, and Incomplete Information to FINRA], FINRA Rules 8210 and 2010 [Failure to Provide Electronic Communications, Providing False Statements Regarding Communications, and Deleting Records Requested by FINRA], and FINRA Rules 8210 and 2010 [Failure to Timely Provide Information and Documents Requested by FINRA].

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent be barred from associating with any FINRA member in any capacity.

The sanctions imposed herein shall be effective on a date set by FINRA staff. A bar or expulsion shall become effective upon approval or acceptance of this Order.

SO ORDERED.

FINRA

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



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