

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

Department of Enforcement,

Complainant,

v.

Brian J. Pavelko
CRD No. 6347352,

Respondent.

Disciplinary Proceeding
No. 2020066757804

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between November 2023 and August 2024, while registered with FINRA through an association with NI Advisors (CRD No. 134502), Respondent Brian J. Pavelko (CRD No. 6347352) failed to comply with requests, which FINRA issued pursuant to FINRA Rule 8210, for documents and information related to his receipt of Pandemic Unemployment Assistance (“PUA”) from the New Jersey Department of Labor, Division of Unemployment Insurance (“NJDIU”).

2. FINRA issued these requests as part of an investigation into whether Pavelko made material misrepresentations and omissions in connection with his application for and receipt of PUA benefits in violation of FINRA Rule 2010, as well as whether Pavelko provided false testimony to FINRA regarding his possession of his PUA application in violation of FINRA Rules 8210 and 2010. As a result of this conduct, Pavelko violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

3. Pavelko first became registered with FINRA as a General Securities Representative in June 2014 through an association with a FINRA member firm.

4. On September 20, 2018, Pavelko became registered with FINRA in the same capacity through an association with SW Financial LLC. On March 3, 2022, SW Financial filed a Uniform Termination Notice for Securities Industry Registration (Form U5) disclosing Pavelko's voluntary termination from the firm.

5. On March 13, 2022, Pavelko became registered with FINRA in the same capacity through an association with NI Advisors.

6. Because Pavelko is currently registered with FINRA, he is subject to FINRA's jurisdiction.

FACTS

7. Throughout his time at SW Financial, Pavelko was a member of a team that helped source and manage private placement offerings. Starting in January 2020, Pavelko, and the representatives on Pavelko's team, were also affiliated with OBA 1, a disclosed outside business activity. OBA 1 was a conduit for sourcing private placement offerings that Pavelko and others on his team could syndicate and sell through their association with SW Financial.

8. In 2020, as a result of the COVID-19 pandemic, the federal government established the PUA program for individuals who were ineligible for regular unemployment benefits and were unable to work due to the pandemic. The PUA program generally provided benefits only to individuals who were unable to work, or who had become unemployed, as a result of COVID-19.

9. In or around May 2020, Pavelko applied for PUA benefits through NJDUI by submitting an online application via the NJDUI website.

10. NJDUI approved Pavelko's application, and he received approximately \$37,000 in PUA benefits between May 2020 and September 2021. During that same period, Pavelko received approximately \$54,000 in income through his work for SW Financial and OBA 1. At no point during this period did Pavelko stop working on account of COVID-19.

11. In or around November 2023, FINRA opened an investigation into whether Pavelko had misrepresented his employment status, income, or any other material facts on his application for PUA benefits or in any other correspondence with NJDUI related to his application for or receipt of PUA benefits in violation of FINRA Rule 2010.

12. On November 28, 2023, in connection with this investigation, FINRA sent Pavelko a request, issued pursuant to FINRA Rule 8210, for a copy of his application for PUA benefits. FINRA further instructed Pavelko that, if he did not already possess a copy of his application, he should request a copy from NJDUI and produce records reflecting his submission of that request. FINRA's request letter set a deadline of December 19, 2023.

13. FINRA sent a copy of the November 28 information request by Federal Express to Pavelko's residential address listed in FINRA's Central Registration Depository ("CRD"). FINRA also sent Pavelko a copy of the request by email to his personal email address and through the FINRA Request Manager system.

14. According to the Federal Express website, the November 28 information request was delivered on November 29, 2023.

15. On December 19, 2023, at 11:58 PM, Pavelko replied to FINRA through FINRA's Request Manager system that he did not possess a copy of his application, and he produced a record reflecting that he had requested a copy of the application from NJDUI that afternoon.

16. On January 31, 2024, and February 5, 2024, FINRA emailed Pavelko to request an update on his efforts to obtain a copy of the application from NJDUI. Pavelko did not respond.

17. On February 13, 2024, FINRA, in connection with its investigation and pursuant to FINRA Rule 8210, sent Pavelko a second request for a copy of the application. FINRA's request letter set a deadline of March 5, 2024.

18. FINRA sent a copy of the February 13 information request by Federal Express to Pavelko's residential address listed in CRD. FINRA also sent Pavelko a copy of the request by email to his personal email address and through the FINRA Request Manager system.

19. According to the Federal Express website, the February 13 information request was delivered on February 14, 2014.

20. On March 5, 2024, at 11:50 PM, Pavelko copied FINRA staff on an email to another New Jersey state agency to inquire about the status of his request to NJDUI for a copy of the application.

21. On March 27, 2024, FINRA staff copied Pavelko on an email to the same New Jersey state agency to inquire about the status of his request to NJDUI for a copy of the application. The following day, the state agency responded that, on March 6, 2024, it had informed Pavelko that it could not assist with his request and provided him with resources to contact NJDUI. FINRA staff had not been included on the agency's response to Pavelko, and Pavelko did not inform FINRA that he had received any response.

22. On May 9, 2024, FINRA took Pavelko's testimony, which FINRA had requested pursuant to FINRA Rule 8210. Pavelko testified that he still had not received a copy of his PUA application from NJDUI.

23. On August 9, 2024, Pavelko, through counsel, informed FINRA by email that he possessed a copy of the PUA application, but that he would not produce it to FINRA in response to the November 28 and February 13 information requests.

24. Based on this statement from Pavelko's counsel, FINRA then investigated whether Pavelko had provided false testimony to FINRA on May 9, 2024, related to his possession of his application for PUA benefits, in violation of FINRA Rules 8210 and 2010.

25. On August 13, 2024, FINRA, in connection with its investigation and pursuant to FINRA Rule 8210, sent Pavelko a request for documents and information regarding how he came to receive the PUA application, including when and from whom he received it.

26. FINRA sent a copy of the August 13 information request to Pavelko's counsel by Certified Mail, First Class U.S. Mail, and email.

27. On August 20, 2024, Pavelko, through counsel, confirmed by email that he would not produce the documents and information FINRA had requested on August 13, 2024.

28. On August 21, 2024, FINRA, in connection with its investigation and pursuant to FINRA Rule 8210, sent Pavelko a second request for the same documents and information.

29. FINRA sent a copy of the August 21 information request to Pavelko's counsel by Certified Mail, First Class U.S. Mail, and email.

30. On August 28, 2024, Pavelko, through counsel, confirmed again by email that he would not produce the documents and information FINRA had first requested on August 13, 2024.

31. To date, Pavelko has not produced the documents and information FINRA requested pursuant to FINRA Rule 8210. As a result, FINRA is unable to investigate the extent and nature of misrepresentations and omissions Pavelko may have made to NJDUI in connection

with his application for and receipt of PUA benefits in violation of FINRA Rule 2010. FINRA is also unable to determine whether Pavelko provided false testimony to FINRA regarding his possession of his PUA application in violation of FINRA Rules 8210 and 2010.

FIRST CAUSE OF ACTION
Failure to Respond to Written Requests for Documents and Information
(Violation of FINRA Rules 8210 and 2010)

32. The Department of Enforcement realleges and incorporates by reference all prior paragraphs.

33. FINRA Rule 8210(a)(1) provides that for purposes of an investigation, FINRA has the right to require a person subject to FINRA’s jurisdiction to “provide information orally [or] in writing with respect to any matter involved in the investigation”

34. FINRA Rule 8210(a)(2) provides that FINRA may “inspect and copy the books, records, and accounts of such member or person with respect to any matter involved in the investigation, complaint, examination, or proceeding that is in such member’s or person’s possession, custody, or control.”

35. FINRA Rule 8210(c) provides that “[n]o member or person shall fail to provide information . . . or to permit an inspection and copying of books, records, or accounts pursuant to this Rule.”

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

37. Failing to provide information or documents requested by FINRA pursuant to FINRA Rule 8210 violates FINRA Rules 8210 and 2010.

38. Pavelko failed to provide documents in response to FINRA’s November 28, 2023, and February 13, 2024, requests, which were issued in connection with its investigation and pursuant to FINRA Rule 8210.

39. Pavelko's failure to provide documents in response to FINRA's November 28, 2023, and February 13, 2024, requests had a material impact on FINRA's ability to complete its investigation into Pavelko's possible FINRA Rule 2010 violations. Pavelko's PUA application, including the representations he made therein, was relevant to FINRA's investigation into whether Pavelko made false statements in connection with his application for and receipt of PUA benefits in violation of FINRA Rule 2010.

40. Pavelko also failed to provide documents and information in response to FINRA's August 13, 2024, and August 21, 2024, requests, which were issued in connection with its investigation and pursuant to FINRA Rule 8210.

41. Pavelko's failure to provide documents and information in response to FINRA's August 13, 2024, and August 21, 2024, requests had a material impact on FINRA's ability to complete its investigation. The circumstances under which Pavelko came to possess his PUA application were relevant to FINRA's investigation into whether Pavelko provided false testimony to FINRA on May 9, 2024, in violation of FINRA Rules 8210 and 2010.

42. Based on the foregoing, Pavelko violated FINRA Rules 8210 and 2010.

RELIEF REQUESTED

43. 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), including monetary sanctions, be imposed; and
- C. order that Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: September 25, 2025



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