

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2021069510201**

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

RE: Andrew Ang (Respondent)
Former Research Analyst and General Securities Representative
CRD No. 6427407

Pursuant to FINRA Rule 9216, Respondent Andrew Ang submits 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 Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Respondent Andrew Ang entered the securities industry in December 2014 when he became associated with a FINRA member firm. Ang became associated as a Research Analyst and General Securities Representative with Barclays Capital Inc. in November 2019. Barclays filed a Uniform Termination for Securities Industry Registration (Form U5) terminating Ang's registration on January 27, 2021, which stated that Ang was the subject of an internal review that concluded that he did not "timely and properly disclose a potential conflict of interest regarding his job search with a bio-pharmaceutical company." Although Ang is no longer registered or associated with a FINRA member firm, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.¹

OVERVIEW

In October and November 2020, Ang co-authored two research reports about Issuer A without disclosing material conflicts of interest arising from advanced employment discussions with the company. He thereby violated FINRA Rules 2241(c)(4)(I), 2241(e), and 2010.

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

FACTS AND VIOLATIVE CONDUCT

This matter originated from a review of the Form U5 filing referenced above.

While at Barclays, Ang was an equity research analyst covering companies in the pharmaceutical sector, including Issuer A. He was a junior analyst on a three-person team. When he started his employment at Barclays in November 2019 he received training for newly-hired research analysts that covered conflicts of interest, among other things, which stated that “planning on interviewing at a covered company” creates a conflict of interest that requires disclosure to Research Compliance. Ang was then required to attend the research department’s annual training in December 2019, which also included training on conflicts of interest and likewise stated that “research analysts who plan to interview at a covered company must contact Research Compliance.” The firm’s written policies and procedures for equity research analysts similarly state that a conflict of interest requiring disclosure to Research Compliance arises when a research analyst “is interviewing or otherwise actively pursuing future employment opportunities at a covered company.” As a condition to his employment at Barclays, Ang was required to certify that he had read and would comply with the firm’s written policies and procedures.

In October 2020, Ang was contacted by an executive recruiter to gauge Ang’s interest in an open investor relations position at Issuer A, which was one of the issuers covered by Ang’s group. In response, Ang expressed interest in the position and transmitted his resume to the recruiter. A few days later, Ang discussed the open position with Issuer A’s Senior Vice President for Global Finance and Investor Relations, who would be the immediate supervisor of the candidate hired. Ang subsequently reached out to the recruiter to express his continued interest in the position and to solicit feedback from Issuer A as to the firm’s interest in hiring Ang. Shortly thereafter, the recruiter scheduled meetings for Ang with four additional Issuer A employees, including Issuer A’s Director of Executive Talent Acquisition, with whom Ang met on October 29, 2020.

By this point, the employment discussions had reached a level of seriousness, with mutual expressions of interest and Ang’s candidacy clearly viable, such that he should have known that his employment discussions presented a material conflict of interest that required disclosure. On October 29, 2020, Barclays published a research report co-authored by Ang that provided analysis of Issuer A’s recently announced third quarter 2020 financial results. The research report did not disclose that Ang was engaged in employment discussions with Issuer A.

In the proceeding days, Ang met separately to discuss the open position with Issuer A’s Executive Director of Human Resources, Executive Director of the Office of the CEO, and Vice President of Public Affairs. On November 4, 2020, the recruiter scheduled an additional meeting for Ang with Issuer A’s Chief Financial Officer, whose responsibilities included oversight of Investor Relations.

On the same date, Barclays published a research report co-authored by Ang, that provided analyses of recent news about several pharmaceutical companies, including

Issuer A. The research report did not disclose that Ang was engaged in employment discussions with Issuer A.

In the weeks following publication of the report, Ang met to discuss the position with Issuer A's Chief Financial Officer and Senior Director of Investor Relations. Ang subsequently provided a list of references to the firm and received a written offer of employment, which he accepted on November 17, 2020. Ten days later, on November 27, 2020, Ang informed the Barclays research compliance department that he was interviewing with Issuer A but did not disclose that he had already accepted an employment offer. Ang had not previously disclosed to anyone at Barclays that he had engaged in employment discussions with Issuer A. Ang resigned from Barclays on November 30, 2020, while the firm was conducting an internal investigation concerning his employment discussions with Issuer A.

FINRA Rule 2241(c)(4)(I) states that a "member must disclose in any research report at the time of publication or distribution of the report...any other material conflict of interest of the research analyst or member that the research analyst or an associated person of the member with the ability to influence the content of a research report knows or has reason to know at the time of the publication or distribution of a research report." An analyst has a conflict of interest when circumstances give the analyst incentives that compete with his or her regulatory responsibility to issue objective and reliable research reports. A conflict of interest is material when there is a substantial likelihood that a reasonable investor would have considered the conflict important to his or her investment decision, and disclosure of the conflict would have significantly altered the total mix of information available to the investor. Although the rule requires "members" to disclose conflicts of interest, FINRA Rule 0140 imposes on associated persons the same duties and obligations as members.

FINRA Rule 2241(e) states that, in addition to the disclosures required by paragraphs (c) and (d), "members and research analysts must comply with all applicable disclosure provisions of FINRA Rule 2210 and the federal securities laws." FINRA Rule 2210(d)(1)(A) states that, "[a]ll member communications must be based on principles of fair dealing and good faith, must be fair and balanced, and must provide a sound basis for evaluating the facts in regard to any particular security or type of security, industry, or service. No member may omit any material fact or qualification if the omission, in light of the context of the material presented, would cause the communications to be misleading."

As described above, Ang failed to disclose his material conflict of interest in the research reports he co-authored on October 29, 2020 and November 4, 2020. That omission caused those reports to be misleading. Reasonable readers of the reports would have considered the conflict important to their investment decisions. Ang had a clear obligation to disclose his employment discussions with Issuer A in the research reports, yet he failed to do so. By virtue of the foregoing, Ang violated FINRA Rules 2241(c)(4)(I) and 2241(e). By virtue of those violations, he also violated FINRA Rule 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a six-month suspension from associating with any FINRA member in all capacities;
- a \$10,000 fine; and
- a requirement to requalify as a research analyst by passing the requisite examination (Series 86/87) prior to associating with any member firm acting in that capacity.

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

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

Respondent 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 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

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against him;
- 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, Respondent specifically and voluntarily waives 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.

Respondent further specifically and voluntarily waives 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

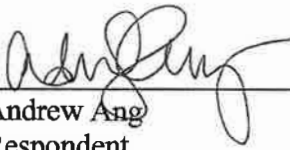
Respondent understands that:

- 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 - 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. Respondent 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. Respondent 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 Respondent's 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 Respondent's testimonial obligations in any litigation or other legal proceedings.

- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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 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; Respondent 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.

December 8, 2021
Date


Andrew Ang
Respondent

Reviewed by:


Max Nicholas
Counsel for Respondent
Spears & Imes LLP
51 Madison Avenue
New York, NY 10010

Accepted by FINRA:

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

January 24, 2022
Date


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