

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

Department of Enforcement,

Complainant,

v.

Michael Venturino
(CRD No. 5872439),

Respondent.

Disciplinary Proceeding
No. 2021070337501

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. From July 2014 to June 2017 (the “Relevant Period”), while associated with FINRA member Aegis Capital Corp. (“Aegis” or the “firm”), Michael Venturino churned and excessively traded 12 accounts of 11 different firm customers.
2. During this period, Venturino exercised *de facto* control over each of the 12 accounts. He recommended what stocks the customers should buy and sell, and he controlled the volume and frequency of trading in the customers’ accounts. The customers relied on Venturino to trade their accounts and, when consulted, routinely followed his recommendations. Venturino also controlled the accounts by engaging in unauthorized trading.
3. The trades that Venturino recommended and executed in the 12 accounts were excessive. Venturino executed 913 trades (many of which were unauthorized) in the customers’ accounts with a total principal value of approximately \$32.7 million.

4. Venturino's frequent trading, coupled with high trading costs and the use of margin in many of the accounts, resulted in annualized cost-to-equity ratios between 34.67% and 164.75%, annualized turnover rates between 8.39 and 49.61, and more than \$1 million in cumulative customer losses.

5. Venturino traded both on a riskless principal and agency basis. He made the majority of purchases on a riskless principal basis (even though these purchases could have been made on an agency basis with a commission), and the majority of sales on an agency basis with a commission.

6. In addition, Venturino executed 258 of the trades between January 2015 and June 2017 (with a total principal value of approximately \$9.5 million) without the customers' prior knowledge or authorization.

7. Venturino's churning and excessive trading caused the customers to pay \$518,313 in commissions, markups, markdowns, margin interest and other trading costs. Conversely, Venturino received more than \$325,000 from his trading in the 12 accounts.

8. By churning and excessively trading the 12 customer accounts, Venturino willfully violated Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 thereunder, and he also violated FINRA Rules 2111, 2020, and 2010.

9. By engaging in unauthorized trading in the 12 accounts, Venturino violated FINRA Rule 2010.

RESPONDENT AND JURISDICTION

10. Venturino entered the securities industry in 2010 when he became registered with FINRA through his association with a FINRA member firm.

11. From June 2014 to July 2017, Venturino was registered as a General Securities Representative (GSR) through his association with Aegis. He worked in the firm's Melville, New York branch. Aegis reported Venturino's voluntary termination from the firm in a Uniform Termination Notice for Securities Industry Registration (Form U5) dated July 28, 2017.

12. Since April 2018, Venturino has been registered as a GSR through his association with another FINRA member firm and is therefore subject to FINRA's jurisdiction.

FACTS

13. During the Relevant Period, Venturino had between 150 and 200 customer accounts, and he received approximately 75% of the gross sales credits and commissions generated from his trades. Many of his customers were small business owners in their mid-50s and older, and he obtained most through cold calls that he made to names listed on customer lead sheets that he or his firm purchased.

14. The 11 customers whose accounts Venturino excessively traded and churned were not sophisticated investors. Most of these customers were relatively inexperienced investors or, to the extent that the customers had prior investment experience, they had no experience with short-term stock trading or its costs.

15. Venturino did not develop investment strategies tailored for the customers. Instead, he frequently called many of his customers with the same stock recommendations, and he did not adjust his recommendations based on whether an account made, or lost, money.

16. Venturino predominantly recommended the same stocks—often biotech and technology companies, such as Cormedix, Inc. (CRMD), Himax Technologies (HIMX), Intrexon Corporation (XON), Proofpoint, Inc. (PFPT), Skyworks Solutions (SWKS), and Taser International (TASR)—to his customers, frequently as short-term, in-and-out trades.

17. The customers relied on Venturino's advice and consistently followed his recommendations to buy or sell securities.

18. Venturino controlled the volume and frequency of trading in the 12 accounts. He recommended and executed an active, in-and-out trading strategy in the accounts, recommending that customers purchase a stock and soon thereafter sell that stock and use the proceeds to purchase a different stock. The 12 accounts traded in many of the same stocks, often bought or sold on the same date (or within one or two trading days) across accounts.

19. The average holding period for stocks in the 12 accounts was approximately 46 days. Based on Venturino's recommendations, these accounts held stocks 30 days or less on approximately 80% of his trades and one day or less on roughly 45% of his trades.

20. Venturino did not consider trading costs—past or present—when making stock recommendations, did not calculate the cost-to-equity ratio or turnover rate in his customers' accounts, and did not consider the effect of margin on his customers' accounts.

21. Venturino's frequent trading, combined with the high commissions and other trading costs that he charged, made it virtually impossible for the 12 accounts to earn sufficient returns to cover account costs, much less earn a profit.

22. Venturino's trading recommendations resulted in the customers paying approximately \$437,744 in gross sales credits and commissions.

23. Venturino's trading recommendations resulted in the customers paying approximately \$38,848 in margin interest.

24. Venturino's trading recommendations resulted in the customers paying approximately \$518,313 in total trading costs (including commissions, price markups and markdowns, margin interest, and other fees).

25. The customers suffered approximately \$1 million in combined losses.

26. Venturino faced significant financial pressure during the Relevant Period. He owed over \$140,000 in back taxes to the IRS and \$30,000 in back taxes to the State of New York. To satisfy these debts, he entered into a \$2,500 per month payment plan with the IRS and a \$1,200 per month payment plan with New York. On top of his tax debts, Venturino had significant household expenses as the sole provider for his family, including nearly \$5,000 per month in mortgage and car expenses.

27. In January 2019, Venturino filed for Chapter 7 bankruptcy relief in the Eastern District of New York seeking to discharge nearly \$1.2 million owed to his creditors.

Customer A

28. Customer A, now 74 years old, owns a construction company in Pennsylvania.

29. Customer A opened a joint account with his son through an Aegis representative other than Venturino in July 2015 to invest money that he wanted to leave for his grandchildren. The Aegis representative recorded Customer A's investment objective as "speculation" and his risk tolerance as "maximum."

30. Prior to Venturino taking over as the registered representative for Customer A's account in April 2016 when the original representative left Aegis, Customer A made only three trades in his account, buying and holding large positions in individual stocks.

31. Between May 2016 and April 2017, however, Venturino executed 20 transactions in Customer A's account with a total principal value of approximately \$551,259, even though the average monthly equity value in the account was only \$20,258 during this period.

32. Venturino held positions for short periods of time and, at times, repurchased shares of the same stock days after selling them. His frequent trading resulted in an annualized turnover rate of 12.59 and an annualized cost-to-equity ratio of 63.79%.

33. Venturino's churning and excessive trading generated \$12,922 in trading costs, including markups and markdowns of \$8,918, commissions of \$498, and \$2,500 in margin costs, and caused account losses of approximately \$35,123.

34. Among the transactions executed during the Relevant Period, Venturino executed five transactions between September 2016 and April 2017 with an approximate value of \$93,084 in Customer A's account without his prior knowledge or authorization.

Customer B

35. Customer B, now 71 years old, is a realtor and resident of North Carolina.

36. Customer B opened an individual account at Aegis in August 2014 after receiving a cold call from Venturino. Venturino recorded Customer B's investment objective as "aggressive growth and income" and risk tolerance as "high" even though Customer B had only a moderate tolerance for risk and generally preferred to buy and hold a mixture of stocks long-term.

37. Customer B initially funded his Aegis account with a cash deposit of \$2,102 in August 2014, and Venturino used these funds, as well as another \$51,304 that Customer B deposited in his account in October 2014, to buy shares in one stock.

38. In November 2014, Venturino's trading in Customer B's account accelerated. He bought and sold shares in rapid succession throughout 2015 and 2016, often engaging in short-term, in-and-out trading. He turned over Customer B's account most months and often turned it over multiple times. For example, Venturino turned over Customer B's account once in January

2015, six times in February, five times in March, once in April, nearly three times in May, and ten times in June.

39. Venturino executed 195 transactions in Customer B's account between August 2014 and May 2017 with a total principal value of approximately \$7 million, even though the average monthly equity value in the account was only \$31,485 during this period.

40. Approximately 62% of Venturino's stock purchases in Customer B's account were held two days or less. His frequent trading resulted in an annualized turnover rate of 40.56 and an annualized cost-to-equity ratio of 95.35%.

41. Venturino's churning and excessive trading generated \$85,060 in trading costs, including markups and markdowns of \$62,278, commissions of \$10,141, and \$4,174 in margin costs, and caused account losses of approximately \$144,103.

42. Among the transactions executed during the Relevant Period, Venturino executed 76 transactions between February 2015 and May 2017 with an approximate value of \$2.5 million in Customer B's account without his prior knowledge or authorization.

Customer C

43. Customer C was a president of a local oil distribution company in North Carolina.

44. Customer C opened an individual account at Aegis in February 2015 after receiving a cold call from Venturino. Venturino recorded Customer C's investment objective as "speculation" and risk tolerance as "maximum."

45. In February 2015, Customer C was 79 years old. He is now deceased.

46. Customer C deposited \$2,719 into his account in February 2015 and deposited an additional \$232,100 in May 2015, and Venturino initially used these funds to buy shares in two different securities.

47. Venturino's trading in Customer C's account remained relatively light throughout the rest of the year, though he often sold large positions of one stock—Taser International ("TASR")—and then repurchased shares at similar, if not higher, prices. But in February 2016, Venturino started trading in greater volume and frequency, turning over Customer C's account once in February, four times in March, nearly three times in April, and twice in May. The heavy trading continued until August 2016 when Customer C liquidated his positions and closed his account.

48. Venturino executed 79 transactions in Customer C's account between February 2015 and August 2016 with a total principal value of approximately \$3.8 million, even though the average monthly equity value in the account was only \$95,632 during this period.

49. Approximately 56% of Venturino's stock purchases in Customer C's account were held less than five days. Venturino's frequent trading in Customer C's account resulted in an annualized turnover rate of 13.55 and an annualized cost-to-equity ratio of 46.75%.

50. Venturino's churning and excessive trading generated \$70,786 in trading costs, including markups and markdowns of \$59,551, commissions of \$1,691, and \$5,755 in margin costs, and caused account losses of approximately \$250,400.

51. Among the transactions executed during the Relevant Period, Venturino executed seven transactions between October 2015 and July 2016 with an approximate value of \$392,119 in Customer C's account without his prior knowledge or authorization.

Customer D

52. Customer D was a self-employed mobile home repairman in rural Ohio. Customer D first opened an account with Venturino at a prior broker-dealer after receiving a cold call.

53. In October 2014, after Venturino moved to Aegis, Customer D opened an

individual account at Aegis that was handled by Venturino. Venturino recorded Customer D's investment objective at Aegis as "speculation" and his risk tolerance as "maximum."

54. In October 2014, Customer D was 56 years old. He is now deceased.

55. Customer D initially funded his Aegis account with a cash deposit of \$69,138 in October 2014. Venturino initially used this money to purchase a corporate bond and shares in one stock.

56. In January 2015, Customer D deposited an additional \$36,103 into his account, and Venturino started to conduct short-term, in-and-out trades in shares of stocks throughout 2015 and 2016. During this period, Venturino turned over Customer D's account most months and often turned it over multiple times per month, including in February, July, September, October, November, and December 2015, and March, June, and July 2016.

57. Venturino executed 165 transactions in Customer D's account between October 2014 and June 2017 with a total principal value of approximately \$6.1 million, even though the average monthly equity value in the account was only \$49,414 during this period.

58. Approximately 61% of Venturino's stock purchases in Customer D's account were held seven days or less. His frequent trading resulted in an annualized turnover rate of 23.17 and an annualized cost-to-equity ratio of 62.03%.

59. Venturino's churning and excessive trading generated \$84,299 in trading costs, including markups and markdowns of \$59,308, commissions of \$11,645, and \$5,686 in margin costs, and caused account losses of approximately \$130,544.

60. Among the transactions executed during the Relevant Period, Venturino executed nine transactions between June 2015 and December 2015 with an approximate value of \$356,465 in Customer D's account without his prior knowledge or authorization.

Customer E

61. Customer E, now 63 years old, is the president of a glass company in Ohio.

62. Customer E opened an individual account at Aegis after receiving a cold call from Venturino in April 2015. Customer E's new account form recorded his investment objective as "speculation" and his risk tolerance as "high."

63. Between April 2015 and July 2015, Customer E deposited approximately \$20,000 into his Aegis account, and Venturino initially used these funds to purchase shares of two different stocks.

64. Venturino's trading in Customer E's account changed in October 2015 when he began to conduct short-term, in-and-out trades, turning over Customer E's account multiple times each month through the end of 2015. He turned over Customer E's account 21 times in November, ten times in November and twice in December. By early March 2016, Customer E closed his account.

65. Venturino executed 31 transactions in Customer E's account between April 2015 and March 2016 with a total principal value of approximately \$492,746, even though the average monthly equity value in the account was only \$6,760 during this period.

66. Approximately 46% of Venturino's stock purchases in Customer E's account were held five days or less. His frequent trading in Customer E's account resulted in an annualized turnover rate of 38.13 and an annualized cost-to-equity ratio of 150.12%.

67. Venturino's churning and excessive trading generated \$10,148 in trading costs, including markups and markdowns of \$7,498, and commissions of \$895, and caused account losses of approximately \$22,723.

68. Among the transactions executed during the Relevant Period, Venturino executed eight transactions between October 2015 and February 2016 with an approximate value of \$131,488 in Customer E's account without his prior knowledge or authorization.

Customer F

69. Customer F, now 73 years old, is the owner of a restaurant supply company in North Dakota.

70. Customer F opened an individual account at Aegis in July 2014 after receiving a cold call from Venturino. Customer F's new account form recorded his investment objective as "speculation" and his risk tolerance as "maximum."

71. Customer F initially funded his Aegis account with a cash deposit of \$2,335 in July 2014, and later deposited an additional \$26,954 into his account in September 2014. Venturino initially used these funds to purchase shares in two different securities.

72. In November 2014, Venturino began trading in greater volume and frequency. He liquidated his positions and began to conduct short-term, in-and-out trades, turning over Customer F's account multiple times nearly every month. For example, in 2015, he turned over Customer F's account five times in January, ten times in February, five times in March, twice in April, four times in May, thirteen times in June, three times in November, and three times in December. Customer F closed his account in January 2016.

73. Venturino executed 113 transactions in Customer F's account between July 2014 and January 2016 with a total principal value of approximately \$4 million, even though the average monthly equity value in the account was only \$23,849 during this period.

74. Approximately 79% of Venturino's stock purchases in Customer F's account were held five days or less. His frequent trading in Customer F's account resulted in an annualized turnover rate of 49.61 and an annualized cost-to-equity ratio of 164.75%.

75. Venturino's churning and excessive trading generated \$62,210 in trading costs, including markups and markdowns of \$48,429, commissions of \$6,666, and \$1,977 in margin costs, and caused account losses of approximately \$91,968.

76. Among the transactions executed during the Relevant Period, Venturino executed 40 transactions between February 2015 and January 2016 with an approximate value of \$1.48 million in Customer F's account without his prior knowledge or authorization.

Customer G

77. Customer G, now 62 years old, is the owner of a plastering company in California.

78. Customer G opened an individual account at Aegis in August 2014 after receiving a cold call from Venturino. Venturino recorded Customer G's investment objective as "speculation" and risk tolerance as "maximum."

79. Between September 2014 and February 2015, Customer G deposited approximately \$74,000 into his Aegis account, and Venturino initially used the funds to purchase shares in three different securities.

80. Venturino's trading in Customer G's account remained relatively light through the summer of 2015, but in September 2015, Venturino started trading in greater volume and frequency, conducting short-term, in-and-out trades, and turning over Customer G's account each month. The heavy trading continued until January 2016 when Customer G liquidated his positions and closed his account.

81. Venturino executed 45 transactions in Customer G's account between August 2014 and January 2016 with a total principal value of approximately \$1.6 million, even though the average monthly equity value in the account was only \$57,979 during this period.

82. Approximately 66% of Venturino's stock purchases in Customer G's account were held fifteen days or less. Venturino's frequent trading in Customer G's account resulted in an annualized turnover rate of 8.69 and an annualized cost-to-equity ratio of 39.09%.

83. Venturino's churning and excessive trading generated \$33,996 in trading costs, including markups and markdowns of \$21,940, commissions of \$796, and \$9,344 in margin costs, and caused account losses of approximately \$132,003.

84. Among the transactions executed during the Relevant Period, Venturino executed 12 transactions between September 2015 and December 2015 with an approximate value of \$693,452 in Customer G's account without his prior knowledge or authorization.

Customer H

85. Customer H, now 43 years old, is the owner of a mortgage company in Virginia.

86. Customer H opened an individual account at Aegis through an Aegis representative other than Venturino in August 2015. The Aegis representative recorded Customer H's investment objective as "speculation" and risk tolerance as "maximum."

87. Customer H made only three trades in his account with the original Aegis representative, buying and holding large positions in individual stocks. But the trading in Customer H's account changed in April 2016 when Venturino took over after the original representative left Aegis.

88. Venturino began to conduct short-term, in-and-out trades, turning over Customer H's account at least once each month between May 2016 and January 2017. For example,

Venturino turned over Customer H's account four times in June 2016, eleven times in July, once in August, twice in October, eight times in November, and twice in January 2017.

89. Venturino executed 57 transactions in Customer H's account between April 2016 and April 2017 with a total principal value of approximately \$2.1 million, even though the average monthly equity value in the account was only \$27,697 during this period.

90. Approximately 65% of Venturino's stock purchases in Customer H's account were held seven days or less. His frequent trading resulted in an annualized turnover rate of 36.19 and an annualized cost-to-equity ratio of 128.47%.

91. Venturino's churning and excessive trading generated \$38,549 in trading costs, including markups and markdowns of \$31,756, commissions of \$1,454, and \$2,618 in margin costs, and caused account losses of approximately \$56,636.

92. Among the transactions executed during the Relevant Period, Venturino executed 11 transactions between July 2016 and April 2017 with an approximate value of \$485,394 in Customer H's account without his prior knowledge or authorization.

Customers I and J

93. Customers I and J are a married couple, now in their 50s, who reside in Texas. Customer I is a pharmaceutical executive, and Customer J is a materials director for the same pharmaceutical company.

94. Customer I opened an individual account at Aegis in October 2015 after receiving a cold call from Venturino. Customer I also opened an IRA with Venturino in December 2015. The new account forms for both Customer I's individual account and IRA recorded his investment objective as "speculation" with a "maximum" risk tolerance.

95. Customers I and J opened a joint account with Venturino in February 2016. The new account form recorded Customer I's and J's investment objective as "speculation" and their risk tolerance as "maximum."

Venturino's Trading in Customer I's Individual Account

96. Customer I initially funded his individual account with a cash deposit of \$4,856 in October 2015. Over the next thirteen months, from October 2015 to December 2016, Customer I deposited an additional \$152,873 in cash and transferred \$42,665 in mutual funds and ETFs and \$14,573 worth of stock from brokerage accounts held at other member firms to his Aegis account. Customer I also withdrew \$109,802 from his account, making the overall contribution to his individual account \$105,165.

97. Most months between December 2015 and August 2016, Venturino conducted short-term, in-and-out trades and repeatedly turned over Customer I's account. For example, he turned over Customer I's account three times in December 2015, four times in January 2016, four times in March, five times in April, once in July, and seven times in August before the stock purchases in the account ended.

98. Venturino executed 74 transactions in Customer I's individual account between October 2015 and March 2017 with a total principal value of approximately \$3 million, even though the average monthly equity value in the account during this period was only \$30,880 during this period.

99. Approximately 61% of Venturino's stock purchases in Customer I's individual account were held three days or less. His frequent trading in Customer I's account resulted in an annualized turnover rate of 33.7 and an annualized cost-to-equity ratio of 98.06%.

100. Venturino's churning and excessive trading generated \$45,419 in trading costs, including markups and markdowns of \$36,963, commissions of \$1,992, and \$3,333 in margin costs, and caused account losses of approximately \$108,561.

101. Among the transactions executed during the Relevant Period, Venturino executed 43 transactions between February 2016 and March 2017 with an approximate value of \$1.7 million in Customer I's account without his prior knowledge or authorization.

Venturino's Trading in Customer I's Individual Retirement Account

102. Customer I initially funded his IRA by transferring a mutual fund worth approximately \$25,000 in December 2015. A month later, in January 2016, Customer I transferred roughly \$122,000 in additional cash to his IRA.

103. Venturino engaged in short-term, in-and-out trades, turning over Customer I's account multiple months between December 2015 and May 2016. For example, he turned over Customer I's account once in December, February, March, and May, and nearly turned it over in September before the trading in Customer I's IRA stopped.

104. Venturino executed 37 transactions in Customer I's IRA between December 2015 and September 2016 with a total principal value of approximately \$1.3 million, even though the average monthly equity value in the account during this period was only \$99,333 during this period

105. Approximately 57% of Venturino's stock purchases in Customer I's IRA were held eight days or less. His frequent trading in Customer I's IRA resulted in a turnover rate of 6.99 (and an annualized turnover rate of 8.39) and a cost-to-equity ratio of 28.89% (and an annualized cost-to-equity ratio of 34.67%).

106. Venturino's churning and excessive trading generated total trading costs of \$28,697, including markups and markdowns totaling \$24,493, commissions of \$2,442 and caused account losses of \$8,923.

107. Among the transactions executed during the Relevant Period, Venturino executed 23 transactions between February 2016 and September 2016 with an approximate value of \$833,434 in Customer I's IRA without his prior knowledge or authorization.

Venturino's Trading in Customer I's and J's Joint Account

108. Customers I and J initially funded their joint account with a cash deposit of \$95,000 in February 2016.

109. Venturino engaged in short-term, in-and-out trades, turning over Customer I's and J's joint account multiple months between February and August 2016. For example, he turned over their account three times in February 2016, four times in March, twice in May, and seven times in August before the purchases in the account stopped.

110. Venturino executed 28 transactions in Customer I's and J's joint account between February 2016 and March 2017 with a total principal value of approximately \$1 million, even though the average monthly equity value in the account was only \$18,370 during this period.

111. Approximately 54% of Venturino's stock purchases in Customer I's and J's joint account were held one day or less. Venturino's frequent trading in Customer I's and J's joint account resulted in an annualized turnover rate of 27.31 and an annualized cost-to-equity ratio of 96.93%.

112. Venturino's churning and excessive trading generated total trading costs of \$20,774, including markups and markdowns totaling \$17,244, commissions of \$498, and \$1,822 in margin costs, and caused account losses of \$36,497.

113. Among the transactions executed during the Relevant Period, Venturino executed 15 transactions between February 2016 and January 2017 with an approximate value of \$622,530 in Customer I's and J's joint account without their prior knowledge or authorization.

Customer K

114. Customer K, now 72 years old, is the owner and editor-in-chief of a pharmaceutical trade magazine.

115. Customer K opened an account at Aegis in August 2015 after receiving a cold call from Venturino. Venturino recorded Customer K's investment objective as "speculation" and risk tolerance as "maximum."

116. Customer K deposited \$1,245 into his account in August 2015 and an additional \$57,270 in January 2016, and Venturino initially used these funds to buy shares in two different stocks.

117. Initially, Venturino traded in a small number of stocks and largely held them for extended periods. But in August 2016, Venturino began to conduct short-term, in-and-out trades, turning over Customer K's account multiple times each month. For example, he nearly turned over Customer K's account once in September and turned it over thirteen times in October, five times in November, and nearly twice in December. Customer K liquidated his positions in March 2017 and closed his account.

118. Venturino executed 69 transactions in Customer K's account between August 2015 and March 2017 with a total principal value of approximately \$1.5 million, even though the average monthly equity value in the account was only \$21,998 during this period.

119. Approximately 45% of Venturino's stock purchases in Customer K's account were held one day or less. His frequent trading in Customer K's account resulted in an annualized turnover rate of 20.71 and an annualized cost-to-equity ratio of 69.43%.

120. Venturino's churning and excessive trading generated \$25,454 in trading costs, including markups and markdowns of \$17,118, commissions of \$3,532, and \$1,439 in margin costs, and caused account losses of approximately \$10,907.

121. Among the transactions executed during the Relevant period, Venturino executed nine transactions between March 2016 and March 2017 with an approximate value of \$220,981 in Customer K's account without his prior knowledge or authorization.

FIRST CAUSE OF ACTION

Churning

(Willful Violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Violation of FINRA Rules 2020 and 2010)

122. The Department of Enforcement realleges and incorporates by reference paragraphs 1 through 121 above.

123. 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.

124. Exchange Act Rule 10b-5 further prohibits (i) employing "any device, scheme, or artifice to defraud"; (ii) making "any untrue statement of material fact" or "omit[ting] to state a material fact necessary in order to make the statements made . . . not misleading"; and (iii) engaging in "any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person."

125. 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.”

126. 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.

127. Churning is fraudulent conduct that occurs in a broker-customer relationship when (i) a broker controls or exercises *de facto* control over his customer’s account; (ii) the trading in the account is excessive in light of the customer’s investment objectives; and (iii) the broker acts with scienter, *i.e.*, with intent to defraud or with reckless disregard of the customer’s interests.

128. 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.

129. During the Relevant Period, Venturino exercised *de facto* control of the trading in the 12 accounts of Customers A through K. He controlled the volume and frequency of trading in the accounts, deciding what securities to buy and sell, the quantity of each transaction, and the timing of each transaction. Customers A through K relied on Venturino to make securities recommendations and consistently followed his recommendations.

130. Venturino also exercised control in instances when he made unauthorized transactions in the customers’ accounts, as set forth in Attachment B, which is annexed hereto and incorporated herein by reference.

131. Venturino’s 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 use of short-term, in-and-out trading, the frequency of the transactions, and the transaction costs incurred.

132. An annualized cost-to-equity ratio of 20 percent or more or an annualized turnover rate of six or more generally indicates that excessive trading has occurred.

133. Venturino's trading in the 12 accounts during the Relevant Period resulted in annualized cost-to-equity ratios between 34.67% and 164.75% and annualized turnover rates between 8.39 and 49.61, as set forth in Attachment A, which is annexed hereto and incorporated herein by reference.

134. Venturino acted with scienter. In churning these customers' accounts, Venturino acted with the 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. Venturino deliberately incurred unreasonably high trading costs in these customers' accounts, which made it virtually impossible for the accounts to be profitable. Indeed, Venturino's trading in the 12 accounts caused approximately \$1,028,389 in losses while Venturino received substantial income from trading the accounts.

135. Venturino's 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.

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

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

137. The Department of Enforcement realleges and incorporates by reference paragraphs 1 through 121 and paragraphs 129 through 133 above.

138. 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.”

139. FINRA Rule 2111, former Supplementary Material 2111.05(c), which was in effect from May 1, 2014, through June 29, 2020, required that “a[n] associated person who has actual or de facto control over a customer account . . . 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 finding that a member or associated person has violated the quantitative suitability obligation.”

140. Excessive trading occurs, and is unsuitable, when a registered representative (i) has actual or *de facto* control over trading in a customer’s account; and (ii) the level of activity in that account is inconsistent with the customer’s investment objectives, financial situation, and needs.

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

142. As alleged above in paragraphs 129 through 133, Venturino exercised control over the 12 accounts and traded the accounts in an excessive and unsuitable manner.

143. As a result of the foregoing conduct, Venturino violated FINRA Rules 2111 and 2010.

**THIRD CAUSE OF ACTION
Unauthorized Trading
(FINRA Rule 2010)**

144. The Department of Enforcement realleges and incorporates by reference paragraphs 1 through 121 above.

145. Unauthorized trading occurs when a registered representative effects trades in a customer's non-discretionary account without obtaining the customer's prior authorization or consent.

146. Unauthorized trading is a breach of the duty to observe high standards of commercial honor and just and equitable principles of trade and is, therefore, a violation of FINRA Rule 2010.

147. Venturino executed 258 transactions in the non-discretionary accounts of the eleven customers during the Relevant Period, as identified in Attachment B, without the customers' prior authorization or consent.

148. As a result of the foregoing conduct, Venturino violated FINRA Rule 2010.

RELIEF REQUESTED

WHEREFORE, the Department of Enforcement respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Venturino 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 Venturino be required to disgorge fully any and all ill-gotten gains and/or make full and complete restitution, together with interest;

- C. order that Venturino bear 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 Venturino willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

FINRA DEPARTMENT OF ENFORCEMENT

Date: August 22, 2022



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Attachment A

Customer	Account Number	Date of First Trade (w/Venturino)	Date of Last Trade (w/Venturino)	# of Months of Trading	# of Trades	Average Monthly Account Value	Total Costs	Annualized Cost-to-Equity	Annualized Turnover	Realized Profit/Loss
A		5/24/2016	4/17/2017	12	20	\$20,258	\$12,922	63.79%	12.59	-\$35,123
B		8/22/2014	5/24/2017	34	195	\$31,485	\$85,060	95.35%	40.56	-\$144,103
C		2/2/2015	8/1/2016	19	79	\$95,632	\$70,786	46.75%	13.55	-\$250,400
D		10/2/2014	6/21/2017	33	165	\$49,414	\$84,299	62.03%	23.17	-\$130,544
E		4/21/2015	3/1/2016	12	31	\$6,760	\$10,148	150.12%	38.13	-\$22,723
F		7/17/2014	1/7/2016	19	113	\$23,849	\$62,210	164.75%	49.61	-\$91,968
G		8/21/2014	1/7/2016	18	45	\$57,979	\$33,996	39.09%	8.69	-\$132,003
H		4/8/2016	4/25/2017	13	57	\$27,697	\$38,549	128.47%	36.19	-\$56,636
I		10/13/2015	3/29/2017	18	74	\$30,880	\$45,419	98.06%	33.70	-\$108,561
I		12/17/2015	9/27/2016	10	37	\$99,333	\$28,697	34.67%	8.39	-\$8,923
I & J		2/4/2016	3/28/2017	14	28	\$18,370	\$20,774	96.93%	27.31	-\$36,497
K		8/14/2015	3/14/2017	20	69	\$21,998	\$25,454	69.43%	20.71	-\$10,907

Attachment B

Customer	Acct	Date	Total Net Bought	Total Net Sold	Total Comms/SC	Buy/Sell	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comms/SC
A		9/1/2016		\$24,720.25	\$0.00					
A		9/1/2016				SELL	XON		\$24,720.25	\$0.00
A		1/20/2017	\$34,589.24	\$26,225.62	\$1,534.00					
A		1/20/2017				BUY	DGLY	\$34,589.24		\$1,235.00
A		1/20/2017				SELL	ULTA		\$26,225.62	\$299.00
A		4/5/2017		\$2,357.94	\$0.00					
A		4/5/2017				SELL	DEPO		\$2,357.94	\$0.00
A		4/7/2017	\$5,190.96		\$0.00					
A		4/7/2017				BUY	DEPO	\$5,190.96		\$0.00

Customer	Acct	Date	Total Net Bought	Total Net Sold	Total Comms/SC	Buy/Sell	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comms/SC
B		2/3/2015	\$60,302.88	\$50,069.34	\$1,861.50					
B		2/3/2015				BUY	NXPI	\$60,302.88		\$1,762.50
B		2/3/2015				SELL	PFPT		\$50,069.34	\$99.00
B		2/5/2015		\$58,538.25	\$99.00					
B		2/5/2015				SELL	NXPI		\$58,538.25	\$99.00
B		2/17/2015	\$44,530.40	\$31,079.92	\$1,279.00					
B		2/17/2015				BUY	JACK	\$44,530.40		\$1,250.00
B		2/17/2015				SELL	CQP		\$31,079.92	\$29.00
B		2/25/2015		\$15,426.31	\$0.00					
B		2/25/2015				SELL	HCN		\$15,426.31	\$0.00
B		2/26/2015	\$28,165.57	\$107,966.89	\$1,248.00					
B		2/26/2015				BUY	CRMD	\$28,165.57		\$750.00
B		2/26/2015				SELL	AVGO		\$62,203.84	\$399.00
B		2/26/2015				SELL	DXCM		\$45,763.05	\$99.00
B		3/2/2015	\$83,880.00		\$2,145.00					
B		3/2/2015				BUY	GWRE	\$39,651.30		\$945.00
B		3/2/2015				BUY	MIDD	\$44,228.70		\$1,200.00
B		3/16/2015	\$44,636.38		\$1,125.00					
B		3/16/2015				BUY	BURL	\$44,636.38		\$1,125.00
B		3/17/2015	\$48,499.40	\$44,177.31	\$1,299.00					
B		3/17/2015				BUY	ADBE	\$48,499.40		\$1,200.00
B		3/17/2015				SELL	BURL		\$44,177.31	\$99.00
B		3/26/2015		\$35,875.48	\$29.00					
B		3/26/2015				SELL	CFG		\$35,875.48	\$29.00
B		4/13/2015	\$44,719.94		\$1,300.00					
B		4/13/2015				BUY	DAL	\$44,719.94		\$1,300.00
B		6/4/2015	\$78,250.00	\$62,414.64	\$99.00					
B		6/4/2015				BUY	OXLC	\$78,250.00		\$0.00
B		6/4/2015				SELL	ULTA		\$62,414.64	\$99.00
B		6/18/2015	\$122,500.00		\$0.00					
B		6/18/2015				BUY	OXLCO	\$122,500.00		\$0.00
B		6/19/2015	\$73,728.40	\$194,579.27	\$1,498.00					
B		6/19/2015				BUY	TWTR	\$73,728.40		\$1,300.00
B		6/19/2015				SELL	OXLC		\$73,863.00	\$99.00
B		6/19/2015				SELL	OXLCO		\$120,716.27	\$99.00
B		6/23/2015	\$74,090.00	\$70,728.39	\$49.00					
B		6/23/2015				BUY	GLOP	\$74,090.00		\$0.00
B		6/23/2015				SELL	GLOP		\$70,728.39	\$49.00
B		6/25/2015	\$18,250.00	\$17,750.76	\$199.00					
B		6/25/2015				BUY	SEMI	\$18,250.00		\$0.00
B		6/25/2015				SELL	SEMI		\$17,750.76	\$199.00
B		8/19/2015	\$30,125.44	\$22,475.28	\$784.00					
B		8/19/2015				BUY	ANN	\$30,125.44		\$585.00
B		8/19/2015				SELL	TASR		\$22,475.28	\$199.00
B		9/9/2015	\$21,349.75	\$23,891.62	\$511.50					
B		9/9/2015				BUY	PANW	\$21,349.75		\$412.50
B		9/9/2015				SELL	TASR		\$23,891.62	\$99.00
B		9/10/2015	\$85,431.45	\$82,506.12	\$448.00					

B		9/10/2015				BUY	KR	\$19,709.45		\$349.00
B		9/10/2015				BUY	USAC	\$65,722.00		\$0.00
B		9/10/2015				SELL	PANW		\$21,475.00	\$99.00
B		9/10/2015				SELL	USAC		\$61,031.12	\$0.00
B		9/25/2015	\$21,169.44	\$19,257.70	\$820.00					
B		9/25/2015				BUY	UA	\$21,169.44		\$420.00
B		9/25/2015				SELL	CRMD		\$19,257.70	\$400.00
B		10/2/2015	\$35,160.00	\$34,651.94	\$0.00					
B		10/2/2015				BUY	O	\$35,160.00		\$0.00
B		10/2/2015				SELL	O		\$34,651.94	\$0.00
B		10/14/2015	\$15,862.16	\$19,505.09	\$398.00					
B		10/14/2015				BUY	NFLX	\$15,862.16		\$299.00
B		10/14/2015				SELL	UA		\$19,505.09	\$99.00
B		11/2/2015		\$11,561.85	\$99.00					
B		11/2/2015				SELL	PSTG		\$11,561.85	\$99.00
B		11/20/2015	\$59,625.00	\$59,722.90	\$0.00					
B		11/20/2015				BUY	BLDR	\$59,625.00		\$0.00
B		11/20/2015				SELL	BLDR		\$59,722.90	\$0.00
B		11/25/2015	\$30,054.50		\$585.00					
B		11/25/2015				BUY	TASR	\$30,054.50		\$585.00
B		12/3/2015	\$24,738.50	\$52,492.36	\$748.00					
B		12/3/2015				BUY	ULTA	\$24,738.50		\$450.00
B		12/3/2015				SELL	TASR		\$26,566.85	\$99.00
B		12/3/2015				SELL	ULTA		\$25,925.51	\$199.00
B		12/8/2015	\$21,500.00		\$400.00					
B		12/8/2015				BUY	SWHC	\$21,500.00		\$400.00
B		12/9/2015		\$20,689.71	\$0.00					
B		12/9/2015				SELL	SWHC		\$20,689.71	\$0.00
B		12/10/2015	\$19,300.00	\$19,119.64	\$0.00					
B		12/10/2015				BUY	AR	\$19,300.00		\$0.00
B		12/10/2015				SELL	AR		\$19,119.64	\$0.00
B		12/14/2015	\$16,029.00		\$299.00					
B		12/14/2015				BUY	CRMD	\$16,029.00		\$299.00
B		12/18/2015	\$20,000.00	\$17,412.87	\$0.00					
B		12/18/2015				BUY	NAKD	\$20,000.00		\$0.00
B		12/18/2015				SELL	NAKD		\$17,412.87	\$0.00
B		1/5/2016	\$16,000.00		\$0.00					
B		1/5/2016				BUY	XLRN	\$16,000.00		\$0.00
B		1/26/2016	\$3,097.90		\$0.00					
B		1/26/2016				BUY	SUNE	\$3,097.90		\$0.00
B		2/12/2016		\$2,216.48	\$0.00					
B		2/12/2016				SELL	SUNE		\$2,216.48	\$0.00
B		2/17/2016	\$6,738.50	\$2,343.94	\$0.00					
B		2/17/2016				BUY	TWI	\$6,738.50		\$0.00
B		2/17/2016				SELL	SUNE		\$2,343.94	\$0.00
B		2/26/2016	\$2,347.00		\$0.00					
B		2/26/2016				BUY	TWI	\$2,347.00		\$0.00
B		8/10/2016	\$6,948.00	\$10,123.52	\$0.00					
B		8/10/2016				BUY	CRMD	\$6,948.00		\$0.00
B		8/10/2016				SELL	TWI		\$10,123.52	\$0.00
B		10/19/2016		\$10,901.26	\$200.00					

B		10/19/2016				SELL	CRMD		\$10,901.26	\$200.00
B		10/20/2016	\$18,018.80		\$300.00					
B		10/20/2016				BUY	ZIOP	\$18,018.80		\$300.00
B		11/16/2016	\$85,421.48	\$71,586.92	\$820.00					
B		11/16/2016				BUY	DEPO	\$27,921.48		\$520.00
B		11/16/2016				BUY	YRCW	\$57,500.00		\$0.00
B		11/16/2016				SELL	YRCW		\$56,857.25	\$0.00
B		11/16/2016				SELL	ZIOP		\$14,729.67	\$300.00
B		11/17/2016		\$6,034.10	\$99.00					
B		11/17/2016				SELL	DEPO		\$6,034.10	\$99.00
B		11/30/2016	\$28,125.00	\$27,606.99	\$0.00					
B		11/30/2016				BUY	FPI	\$28,125.00		\$0.00
B		11/30/2016				SELL	FPI		\$27,606.99	\$0.00
B		4/5/2017		\$2,958.01	\$0.00					
B		4/5/2017				SELL	DEPO		\$2,958.01	\$0.00
B		4/6/2017		\$5,940.76	\$0.00					
B		4/6/2017				SELL	DEPO		\$5,940.76	\$0.00
B		4/7/2017	\$6,524.95		\$0.00					
B		4/7/2017				BUY	DEPO	\$6,524.95		\$0.00
B		4/19/2017		\$5,959.91	\$0.00					
B		4/19/2017				SELL	DEPO		\$5,959.91	\$0.00
B		5/24/2017		\$4,182.70	\$0.00					
B		5/24/2017				SELL	DEPO		\$4,182.70	\$0.00

Customer	Acct	Date	Total Net Bought	Total Net Sold	Total Comms/SC	Buy/Sell	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comms/SC
C		10/26/2015	\$36,210.00	\$32,259.86	\$1,547.50					
C		10/26/2015				BUY	TASR	\$36,210.00		\$900.00
C		10/26/2015				SELL	UA		\$32,259.86	\$647.50
C		3/7/2016	\$78,435.00	\$40,203.82	\$0.00					
C		3/7/2016				BUY	PAGP	\$78,435.00		\$0.00
C		3/7/2016				SELL	PAGP		\$40,203.82	\$0.00
C		6/27/2016	\$53,383.98		\$2,000.00					
C		6/27/2016				BUY	SWHC	\$53,383.98		\$2,000.00
C		6/28/2016		\$51,730.87	\$0.00					
C		6/28/2016				SELL	SWHC		\$51,730.87	\$0.00
C		7/26/2016	\$99,895.00		\$3,400.00					
C		7/26/2016				BUY	XON	\$99,895.00		\$3,400.00

Customer	Acct	Date	Total Net Bought	Total Net Sold	Total Comms/SC	Buy/Sell	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comms/SC
D		6/18/2015	\$73,500.00		\$0.00					
D		6/18/2015				BUY	OXLCO	\$73,500.00		\$0.00
D		6/19/2015		\$72,255.09	\$0.00					
D		6/19/2015				SELL	OXLCO		\$72,255.09	\$0.00
D		7/27/2015	\$39,705.00	\$38,587.78	\$1,446.50					
D		7/27/2015				BUY	CNC	\$39,705.00		\$1,347.50
D		7/27/2015				SELL	WAL		\$38,587.78	\$99.00
D		7/28/2015	\$33,707.36	\$37,363.56	\$1,204.00					
D		7/28/2015				BUY	TASR	\$33,707.36		\$1,155.00
D		7/28/2015				SELL	CNC		\$37,363.56	\$49.00
D		12/18/2015	\$28,000.00	\$33,346.64	\$0.00					
D		12/18/2015				BUY	NAKD	\$28,000.00		\$0.00
D		12/18/2015				SELL	CRMD		\$10,252.35	\$0.00
D		12/18/2015				SELL	NAKD		\$23,094.29	\$0.00

Customer	Acct	Date	Total Net Bought	Total Net Sold	Total Comms/SC	Buy/Sell	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comms/SC
E		10/27/2015	\$24,290.00	\$24,487.22	\$825.00					
E		10/27/2015				BUY	TWTR	\$24,290.00		\$825.00
E		10/27/2015				SELL	XON		\$24,487.22	\$0.00
E		11/4/2015	\$19,170.50	\$22,352.16	\$450.00					
E		11/4/2015				BUY	XON	\$19,170.50		\$450.00
E		11/4/2015				SELL	TWTR		\$22,352.16	\$0.00
E		11/24/2015	\$22,419.00	\$15,572.18	\$974.00					
E		11/24/2015				BUY	TRUE	\$22,419.00		\$875.00
E		11/24/2015				SELL	XON		\$15,572.18	\$99.00
E		2/12/2016	\$1,071.70	\$2,124.95	\$0.00					
E		2/12/2016				BUY	CRMD	\$1,071.70		\$0.00
E		2/12/2016				SELL	SUNE		\$2,124.95	\$0.00

Customer	Acct	Date	Total Net Bought	Total Net Sold	Total Comms/SC	Buy/Sell	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comms/SC
F		2/17/2015	\$53,429.70	\$31,086.92	\$1,529.00					
F		2/17/2015				BUY	JACK	\$53,429.70		\$1,500.00
F		2/17/2015				SELL	CQP		\$31,086.92	\$29.00
F		2/23/2015	\$69,443.45	\$62,829.82	\$2,759.00					
F		2/23/2015				BUY	HD	\$69,443.45		\$2,010.00
F		2/23/2015				SELL	CRMD		\$25,380.51	\$749.00
F		2/23/2015				SELL	CTB		\$37,449.31	\$0.00
F		3/2/2015	\$72,715.10		\$2,105.00					
F		3/2/2015				BUY	GWRE	\$28,511.90		\$825.00
F		3/2/2015				BUY	MIDD	\$44,203.20		\$1,280.00
F		3/3/2015	\$74,600.00	\$99,984.49	\$198.00					
F		3/3/2015				BUY	NRF	\$74,600.00		\$0.00
F		3/3/2015				SELL	GWRE		\$26,159.36	\$99.00
F		3/3/2015				SELL	NRF		\$73,825.13	\$99.00
F		3/4/2015		\$39,846.26	\$99.00					
F		3/4/2015				SELL	MIDD		\$39,846.26	\$99.00
F		3/5/2015	\$37,187.40		\$1,250.00					
F		3/5/2015				BUY	CRMD	\$37,187.40		\$1,250.00
F		3/12/2015	\$41,675.00		\$0.00					
F		3/12/2015				BUY	LMOS	\$41,675.00		\$0.00
F		3/13/2015	\$43,554.35	\$39,255.52	\$1,599.00					
F		3/13/2015				BUY	CRMD	\$43,554.35		\$1,500.00
F		3/13/2015				SELL	LMOS		\$39,255.52	\$99.00
F		4/1/2015		\$49,500.08	\$2,000.00					
F		4/1/2015				SELL	CRMD		\$49,500.08	\$2,000.00
F		4/7/2015	\$47,399.00		\$1,500.00					
F		4/7/2015				BUY	CRMD	\$47,399.00		\$1,500.00
F		4/13/2015	\$45,099.90	\$13,380.75	\$1,399.00					
F		4/13/2015				BUY	DAL	\$45,099.90		\$1,300.00
F		4/13/2015				SELL	TASR		\$13,380.75	\$99.00
F		4/15/2015	\$41,477.80	\$44,050.28	\$1,499.00					
F		4/15/2015				BUY	SLCA	\$41,477.80		\$1,400.00
F		4/15/2015				SELL	DAL		\$44,050.28	\$99.00
F		5/18/2015	\$29,260.00		\$687.50					
F		5/18/2015				BUY	HD	\$29,260.00		\$687.50
F		5/19/2015	\$19,975.00	\$47,536.69	\$128.00					
F		5/19/2015				BUY	ARP	\$19,975.00		\$0.00
F		5/19/2015				SELL	ARP		\$19,145.77	\$29.00
F		5/19/2015				SELL	HD		\$28,390.92	\$99.00
F		5/26/2015	\$18,590.00		\$600.00					
F		5/26/2015				BUY	CRMD	\$18,590.00		\$600.00
F		5/28/2015	\$58,170.00	\$32,293.53	\$99.00					
F		5/28/2015				BUY	ADKPRA	\$25,500.00		\$0.00
F		5/28/2015				BUY	KNOP	\$32,670.00		\$0.00
F		5/28/2015				SELL	KNOP		\$32,293.53	\$99.00
F		5/29/2015		\$25,260.53	\$99.00					
F		5/29/2015				SELL	ADKPRA		\$25,260.53	\$99.00
F		6/18/2015	\$73,500.00		\$0.00					

F		6/18/2015				BUY	OXLCO	\$73,500.00		\$0.00
F		6/19/2015		\$72,408.38	\$99.00					
F		6/19/2015				SELL	OXLCO		\$72,408.38	\$99.00
F		6/23/2015	\$61,951.00	\$58,991.52	\$99.00					
F		6/23/2015				BUY	GLOP	\$61,951.00		\$0.00
F		6/23/2015				SELL	GLOP		\$58,991.52	\$99.00
F		11/20/2015	\$19,875.00	\$19,855.63	\$0.00					
F		11/20/2015				BUY	BLDR	\$19,875.00		\$0.00
F		11/20/2015				SELL	BLDR		\$19,855.63	\$0.00
F		11/24/2015	\$14,096.10		\$496.00					
F		11/24/2015				BUY	CRMD	\$14,096.10		\$496.00
F		12/3/2015	\$9,323.36		\$199.00					
F		12/3/2015				BUY	CRMD	\$9,323.36		\$199.00
F		12/14/2015	\$6,677.21		\$0.00					
F		12/14/2015				BUY	CRMD	\$6,677.21		\$0.00
F		1/7/2016		\$7,369.86	\$0.00					
F		1/7/2016				SELL	SUNE		\$7,369.86	\$0.00

Customer	Acct	Date	Total Net Bought	Total Net Sold	Total Comms/SC	Buy/Sell	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comms/SC
G		9/10/2015	\$129,449.00	\$118,926.77	\$0.00					
G		9/10/2015				BUY	AMID	\$32,799.00		\$0.00
G		9/10/2015				BUY	USAC	\$96,650.00		\$0.00
G		9/10/2015				SELL	AMID		\$29,133.93	\$0.00
G		9/10/2015				SELL	USAC		\$89,792.84	\$0.00
G		10/2/2015	\$58,600.00	\$57,713.68	\$0.00					
G		10/2/2015				BUY	O	\$58,600.00		\$0.00
G		10/2/2015				SELL	O		\$57,713.68	\$0.00
G		11/20/2015	\$86,125.00	\$86,120.39	\$0.00					
G		11/20/2015				BUY	BLDR	\$86,125.00		\$0.00
G		11/20/2015				SELL	BLDR		\$86,120.39	\$0.00
G		11/24/2015	\$80,471.80		\$3,000.00					
G		11/24/2015				BUY	TASR	\$80,471.80		\$3,000.00
G		12/18/2015	\$40,000.00		\$0.00					
G		12/18/2015				BUY	NAKD	\$40,000.00		\$0.00
G		12/21/2015		\$17,099.75	\$0.00					
G		12/21/2015				SELL	NAKD		\$17,099.75	\$0.00
G		12/22/2015		\$18,945.51	\$0.00					
G		12/22/2015				SELL	NAKD		\$18,945.51	\$0.00

Customer	Acct	Date	Total Net Bought	Total Net Sold	Total Comms/SC	Buy/Sell	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comms/SC
H		7/13/2016	\$40,835.00		\$1,000.00					
H		7/13/2016				BUY	DAL	\$40,835.00		\$1,000.00
H		7/20/2016	\$59,250.00		\$0.00					
H		7/20/2016				BUY	UBA	\$59,250.00		\$0.00
H		7/25/2016	\$38,584.50	\$39,099.98	\$1,100.00					
H		7/25/2016				BUY	CNC	\$38,584.50		\$1,100.00
H		7/25/2016				SELL	SWKS		\$39,099.98	\$0.00
H		7/26/2016	\$79,168.00		\$3,000.00					
H		7/26/2016				BUY	LUV	\$79,168.00		\$3,000.00
H		8/9/2016		\$2,293.95	\$0.00					
H		8/9/2016				SELL	MBLY		\$2,293.95	\$0.00
H		10/31/2016		\$49,359.92	\$0.00					
H		10/31/2016				SELL	ZIOP		\$49,359.92	\$0.00
H		11/4/2016	\$62,500.00	\$62,573.94	\$0.00					
H		11/4/2016				BUY	CUBI	\$62,500.00		\$0.00
H		11/4/2016				SELL	CUBI		\$62,573.94	\$0.00
H		11/25/2016	\$48,933.50		\$1,800.00					
H		11/25/2016				BUY	XON	\$48,933.50		\$1,800.00
H		4/5/2017		\$2,794.64	\$0.00					
H		4/5/2017				SELL	XON		\$2,794.64	\$0.00

Customer	Acct	Date	Total Net Bought	Total Net Sold	Total Comms/SC	Buy/Sell	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comms/SC
I		2/1/2016	\$31,899.20		\$1,000.00					
I		2/1/2016				BUY	XON	\$31,899.20		\$1,000.00
I		2/19/2016	\$12,002.93		\$299.00					
I		2/19/2016				BUY	ICLD	\$12,002.93		\$299.00
I		3/2/2016		\$36,821.58	\$299.00					
I		3/2/2016				SELL	XON		\$36,821.58	\$299.00
I		3/3/2016	\$70,080.80	\$73,967.71	\$1,399.00					
I		3/3/2016				BUY	AVGO	\$55,580.80		\$1,100.00
I		3/3/2016				BUY	BANC	\$14,500.00		\$0.00
I		3/3/2016				SELL	BANC		\$14,879.77	\$0.00
I		3/3/2016				SELL	TASR		\$59,087.94	\$299.00
I		3/4/2016	\$50,100.00	\$108,835.17	\$199.00					
I		3/4/2016				BUY	MEG	\$50,100.00		\$0.00
I		3/4/2016				SELL	AVGO		\$58,711.51	\$199.00
I		3/4/2016				SELL	MEG		\$50,123.66	\$0.00
I		3/7/2016	\$78,435.00	\$77,349.81	\$0.00					
I		3/7/2016				BUY	PAGP	\$78,435.00		\$0.00
I		3/7/2016				SELL	PAGP		\$77,349.81	\$0.00
I		3/11/2016	\$75,209.90	\$47,202.17	\$2,200.00					
I		3/11/2016				BUY	XON	\$75,209.90		\$2,200.00
I		3/11/2016				SELL	ICLD		\$8,747.56	\$0.00
I		3/11/2016				SELL	SCTY		\$38,454.61	\$0.00
I		3/18/2016	\$156,575.00	\$155,800.12	\$0.00					
I		3/18/2016				BUY	NHC	\$156,575.00		\$0.00
I		3/18/2016				SELL	NHC		\$155,800.12	\$0.00
I		3/24/2016	\$37,578.85		\$1,200.00					
I		3/24/2016				BUY	CRMD	\$37,578.85		\$1,200.00
I		3/28/2016	\$42,757.16		\$1,500.00					
I		3/28/2016				BUY	XON	\$42,757.16		\$1,500.00
I		3/30/2016	\$50,400.00	\$50,336.90	\$0.00					
I		3/30/2016				BUY	SPKE	\$50,400.00		\$0.00
I		3/30/2016				SELL	SPKE		\$50,336.90	\$0.00
I		4/4/2016		\$48,385.95	\$1,650.00					
I		4/4/2016				SELL	CRMD		\$48,385.95	\$1,650.00
I		4/5/2016	\$38,681.15		\$1,000.00					
I		4/5/2016				BUY	STZ	\$38,681.15		\$1,000.00
I		4/6/2016		\$39,511.63	\$0.00					
I		4/6/2016				SELL	STZ		\$39,511.63	\$0.00
I		4/12/2016	\$8,362.50	\$8,305.04	\$0.00					
I		4/12/2016				BUY	SRC	\$8,362.50		\$0.00
I		4/12/2016				SELL	SRC		\$8,305.04	\$0.00
I		4/14/2016	\$40,553.46	\$55,298.79	\$1,300.00					
I		4/14/2016				BUY	CRMD	\$40,553.46		\$1,300.00
I		4/14/2016				SELL	NFLX		\$55,298.79	\$0.00
I		4/19/2016	\$35,989.94		\$900.00					
I		4/19/2016				BUY	MANH	\$35,989.94		\$900.00
I		4/20/2016		\$39,810.12	\$199.00					
I		4/20/2016				SELL	MANH		\$39,810.12	\$199.00

I			4/25/2016		\$60,185.33	\$1,618.00					
I			4/25/2016				SELL	AAPL		\$20,937.03	\$618.00
I			4/25/2016				SELL	CRMD		\$39,248.30	\$1,000.00
I			4/26/2016	\$44,728.64	\$55,704.78	\$2,165.00					
I			4/26/2016				BUY	CRMD	\$44,728.64		\$800.00
I			4/26/2016				SELL	XON		\$55,704.78	\$1,365.00
I			4/27/2016		\$21,852.90	\$0.00					
I			4/27/2016				SELL	CRMD		\$21,852.90	\$0.00
I			4/29/2016		\$21,699.82	\$0.00					
I			4/29/2016				SELL	CRMD		\$21,699.82	\$0.00
I			7/20/2016	\$23,700.00		\$0.00					
I			7/20/2016				BUY	UBA	\$23,700.00		\$0.00
I			7/21/2016		\$23,349.58	\$0.00					
I			7/21/2016				SELL	UBA		\$23,349.58	\$0.00
I			7/27/2016		\$3,171.32	\$0.00					
I			7/27/2016				SELL	FNMA		\$111.14	\$0.00
I			7/27/2016				SELL	XON		\$3,060.18	\$0.00
I			11/30/2016		\$13,802.39	\$0.00					
I			11/30/2016				SELL	FNMA		\$13,802.39	\$0.00
I			1/26/2017		\$6,301.25	\$0.00					
I			1/26/2017				SELL	XON		\$6,301.25	\$0.00
I			3/29/2017		\$3,619.15	\$0.00					
I			3/29/2017				SELL	XON		\$3,619.15	\$0.00

Customer	Acct	Date	Total Net Bought	Total Net Sold	Total Comms/SC	Buy/Sell	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comms/SC
I		2/1/2016	\$39,701.88		\$1,480.00					
I		2/1/2016				BUY	DIS	\$39,701.88		\$1,480.00
I		2/29/2016	\$30,415.00	\$47,697.54	\$1,600.00					
I		2/29/2016				BUY	FCEL	\$30,415.00		\$850.00
I		2/29/2016				SELL	SLCA		\$47,697.54	\$750.00
I		3/3/2016	\$17,061.68		\$299.00					
I		3/3/2016				BUY	CRMD	\$17,061.68		\$299.00
I		3/7/2016		\$52,782.77	\$398.00					
I		3/7/2016				SELL	CRMD		\$20,017.12	\$199.00
I		3/7/2016				SELL	FCEL		\$32,765.65	\$199.00
I		3/16/2016	\$44,648.10		\$1,275.00					
I		3/16/2016				BUY	WNR	\$44,648.10		\$1,275.00
I		3/24/2016	\$92,216.08	\$83,553.12	\$3,262.50					
I		3/24/2016				BUY	UA	\$38,380.73		\$1,462.50
I		3/24/2016				BUY	XON	\$53,835.35		\$1,800.00
I		3/24/2016				SELL	DIS		\$38,693.15	\$0.00
I		3/24/2016				SELL	WNR		\$44,859.97	\$0.00
I		4/26/2016	\$40,079.50		\$1,400.00					
I		4/26/2016				BUY	FB	\$40,079.50		\$1,400.00
I		4/28/2016	\$41,090.80	\$41,760.76	\$1,699.00					
I		4/28/2016				BUY	CWEI	\$41,090.80		\$1,500.00
I		4/28/2016				SELL	FB		\$41,760.76	\$199.00
I		5/16/2016		\$44,729.02	\$800.00					
I		5/16/2016				SELL	CWEI		\$44,729.02	\$800.00
I		5/19/2016	\$46,184.00		\$1,661.00					
I		5/19/2016				BUY	CRMD	\$46,184.00		\$1,661.00
I		5/24/2016	\$24,989.30	\$24,655.26	\$712.50					
I		5/24/2016				BUY	TIF	\$24,989.30		\$712.50
I		5/24/2016				SELL	AMZN		\$24,655.26	\$0.00
I		5/25/2016	\$65,424.16	\$65,722.51	\$2,617.00					
I		5/25/2016				BUY	XON	\$65,424.16		\$1,560.00
I		5/25/2016				SELL	CRMD		\$42,265.18	\$1,057.00
I		5/25/2016				SELL	TIF		\$23,457.33	\$0.00
I		9/27/2016	\$15,088.78	\$15,633.65	\$720.00					
I		9/27/2016				BUY	CRMD	\$15,088.78		\$0.00
I		9/27/2016				SELL	XON		\$15,633.65	\$720.00

Customer	Acct	Date	Total Net Bought	Total Net Sold	Total Comms/SC	Buy/Sell	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comms/SC
I & J		2/17/2016	\$5,878.15		\$171.99					
I & J		2/17/2016				BUY	TWI	\$5,878.15		\$171.99
I & J		2/23/2016	\$67,023.50		\$2,250.00					
I & J		2/23/2016				BUY	EYES	\$67,023.50		\$2,250.00
I & J		3/7/2016		\$125,235.15	\$2,250.00					
I & J		3/7/2016				SELL	TWI		\$7,837.72	\$0.00
I & J		3/7/2016				SELL	XON		\$117,397.43	\$2,250.00
I & J		3/8/2016	\$52,059.00		\$1,800.00					
I & J		3/8/2016				BUY	SUNE	\$52,059.00		\$1,800.00
I & J		3/11/2016	\$56,134.48		\$1,650.00					
I & J		3/11/2016				BUY	XON	\$56,134.48		\$1,650.00
I & J		3/18/2016	\$62,630.00	\$62,250.64	\$0.00					
I & J		3/18/2016				BUY	NHC	\$62,630.00		\$0.00
I & J		3/18/2016				SELL	NHC		\$62,250.64	\$0.00
I & J		3/31/2016	\$22,800.00	\$23,089.49	\$0.00					
I & J		3/31/2016				BUY	CIO	\$22,800.00		\$0.00
I & J		3/31/2016				SELL	CIO		\$23,089.49	\$0.00
I & J		5/6/2016	\$39,000.00	\$38,411.16	\$0.00					
I & J		5/6/2016				BUY	BANC	\$39,000.00		\$0.00
I & J		5/6/2016				SELL	BANC		\$38,411.16	\$0.00
I & J		5/13/2016	\$30,005.00	\$27,489.39	\$0.00					
I & J		5/13/2016				BUY	ECC	\$30,005.00		\$0.00
I & J		5/13/2016				SELL	ECC		\$27,489.39	\$0.00
I & J		1/26/2017		\$10,525.26	\$0.00					
I & J		1/26/2017				SELL	XON		\$10,525.26	\$0.00

Customer	Acct	Date	Total Net Bought	Total Net Sold	Total Comms/SC	Buy/Sell	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comms/SC
K		3/10/2016	\$18,625.20		\$375.00					
K		3/10/2016				BUY	XON	\$18,625.20		\$375.00
K		10/14/2016	\$57,050.00	\$57,068.75	\$0.00					
K		10/14/2016				BUY	LMRK	\$57,050.00		\$0.00
K		10/14/2016				SELL	LMRK		\$57,068.75	\$0.00
K		11/4/2016		\$30,299.83	\$0.00					
K		11/4/2016				SELL	FB		\$30,299.83	\$0.00
K		11/10/2016		\$2,861.93	\$0.00					
K		11/10/2016				SELL	XON		\$2,861.93	\$0.00
K		11/25/2016	\$24,364.25		\$825.00					
K		11/25/2016				BUY	XON	\$24,364.25		\$825.00
K		12/1/2016		\$9,742.82	\$0.00					
K		12/1/2016				SELL	XON		\$9,742.82	\$0.00
K		12/22/2016	\$20,097.50		\$750.00					
K		12/22/2016				BUY	XON	\$20,097.50		\$750.00
K		3/14/2017		\$870.88	\$0.00					
K		3/14/2017				SELL	EYES		\$870.88	\$0.00