

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2023079598001**

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

RE: Daniel Michael Roper (Respondent)
Former General Securities Representative
Former Investment Company and Variable Contracts Products Representative
CRD No. 6188279

Pursuant to FINRA Rule 9216, Respondent Daniel Michael Roper 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

Roper first registered with FINRA in 2013 through an association with a FINRA member. In March 2019, Roper registered with FINRA as a General Securities Representative and as an Investment Company and Variable Contracts Products Representative through an association with Charles Schwab & Co., Inc.

On September 15, 2023, Schwab filed a Uniform Termination Notice of Securities Industry Registration (Form U5) on Roper's behalf after Roper voluntarily terminated his association with the firm on August 30, 2023. The Form U5 disclosed that a customer had filed an arbitration alleging, among other things, that Roper "trade[d] the [customer's] account, in exchange for a share of the profits." Although Roper is not currently registered or associated with any FINRA member, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.¹

OVERVIEW

From October 2020 through January 2022, Roper engaged in various types of misconduct in connection with a profit-sharing agreement with a Schwab customer. Roper violated FINRA Rules 2150(c) and 2010 by directing the trades in the customer's account for a share of the customer's profits without receiving written authorization from Schwab or

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

the customer. He also violated FINRA Rules 3260(b) and 2010 by exercising discretion in the customer's account in connection with more than 20,300 trades without receiving written authorization from the customer or Schwab accepting the account as discretionary. In addition, Roper violated FINRA Rules 4511 and 2010 by using unapproved communication channels to conceal his conduct.

For these violations, Roper is suspended in all capacities for two years, fined \$15,000, ordered to pay \$80,747 plus interest in disgorgement, and required to requalify by examination before registering as a General Securities Representative.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a customer arbitration filed with FINRA.

Roper traded in a customer's account in exchange for a share of the profits.

FINRA Rule 2150(c) states, in relevant part, that "no member or person associated with a member shall share directly or indirectly in the profits ... in any account of a customer carried by the member or any other member" unless the associated person (a) obtains prior written authorization from the employer firm, (b) obtains prior written authorization from the customer, and (c) shares in the profits in direct proportion to his financial contributions.

A violation of FINRA Rule 2150(c) is also a violation of FINRA Rule 2010, which requires associated persons to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business.

At all relevant times, Schwab's written supervisory procedures (WSPs) prohibited employees from sharing directly or indirectly in the profits in a customer's account.

From October 2020 through January 2022, Roper entered more than 14,000 equity trades and 6,300 options trades in his customer's self-directed Schwab retail account for a share of the customer's profits. Roper did not disclose to Schwab that he and the customer had entered into an oral profit-sharing agreement related to the trading, and the firm did not provide authorization to Roper to share in the profits in the customer's account. Rather, Roper knew that the profit-sharing agreement violated firm policies, and took numerous steps to conceal his conduct from Schwab, including by accessing the customer's Schwab account using the customer's login credentials; communicating with the customer by text messages on his personal device and through his personal email address; and receiving profit-sharing payments that were transferred from an account that the customer held away from Schwab to a checking account that Roper held away from Schwab. Roper did not obtain prior written authorization from the customer or make any financial contributions to the customer's account. In total, Roper received \$80,747 in profit-sharing payments from the customer.

Therefore, Roper violated FINRA Rules 2150(c) and 2010.

Roper exercised discretion without obtaining prior written authorization.

FINRA Rule 3260(b) provides that no registered representative “shall exercise any discretionary power in a customer’s account” unless the customer has given prior written authorization to the registered representative and the representative’s member firm has accepted the account as discretionary, as evidenced in writing by the member. A violation of FINRA Rule 3260(b) is also a violation of FINRA Rule 2010.

At all relevant times, Schwab’s WSPs prohibited employees from placing a discretionary order for a customer’s account without appropriate written authority or power of attorney on file with the firm.

Between October 2020 and January 2022, Roper exercised discretion without prior written authorization in connection with more than 14,000 equity trades and 6,300 options trades in the account of the customer with whom Roper had a profit-sharing agreement. The customer orally authorized Roper to exercise discretion in his account, but never provided Roper with prior written authorization to exercise such authority. Schwab never accepted the customer’s account as discretionary. In 2021 and 2022, Roper also attested in Schwab’s annual compliance questionnaires that his disclosures were complete and accurate, even though Roper did not disclose the customer’s account as a securities account maintained with Schwab over which Roper exercised discretion.

Therefore, Roper violated FINRA Rules 3260(b) and 2010.

Roper used personal text messages and personal email for business-related communications.

FINRA Rule 4511(a) requires each member to “make and preserve books and records as required under the FINRA rules, the Exchange Act, and the applicable Exchange Act rules.” Section 17(a) of the Securities Exchange Act of 1934 and Exchange Act Rule 17a-4(b)(4) require member firms to maintain, for a period of not less than three years, the originals of all communications received, and copies of all communications sent, by the member relating to the member’s business, including text messages and other electronic messages. A registered representative who causes his member firm to fail to comply with its recordkeeping obligations violates FINRA Rule 4511. A violation of FINRA Rule 4511 is also a violation of FINRA Rule 2010.

At all relevant times, Schwab’s WSPs prohibited employees from using their personal mobile device or personal email accounts for business communications.

From October 2020 through January 2022, Roper exchanged thousands of text messages and emails with the customer with whom he had a profit-sharing agreement using his personal mobile device. These messages and emails included, among other things, communications about account performance information, the trades that Roper entered in the customer’s account, and profit-sharing payments that the customer made to Roper. By communicating through unapproved channels, Roper concealed his communications from

Schwab, and he knew that such communications violated firm policy. Roper did not provide Schwab copies of the text messages or personal emails, which caused the firm to maintain incomplete records of business communications in violation of Section 17(a) of the Exchange Act and Exchange Act Rule 17a-4(b)(4).

Therefore, Roper violated FINRA Rules 4511 and 2010.

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

- a two-year suspension from associating with any FINRA member in all capacities;
- a \$15,000 fine;
- disgorgement of \$80,747 plus interest as described below; and
- a requirement to requalify as a General Securities Representative by passing the requisite examination prior to associating with any FINRA member.

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.

Disgorgement of unlawful profits is ordered to be paid to FINRA in the amount of \$80,747, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. § 6621(a)(2), from January 31, 2022, until the date this AWC is accepted by the National Adjudicatory Council (NAC). Disgorgement 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 sanctions 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 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.

07/08/2025
Date


Daniel Michael Roper
Respondent

Reviewed by:



Jeremy L. Bartell
Counsel for Respondent
Bartell Law PLLC
700 12th Street, NW
Suite 700
Washington, D.C. 20005

Accepted by FINRA:

July 17, 2025

Date

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



Rachel Gargiulo
Principal Counsel
FINRA
Department of Enforcement
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