

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

Department of Enforcement,

Complainant,

v.

Ishmael Williams
CRD No. 6128916,

Respondent.

Disciplinary Proceeding
No. 2023079728601

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. In October 2022, Respondent Ishmael Williams, while registered with FINRA through an association with PFS Investments Inc. (CRD No. 10111), falsely certified to the State of New York that he had personally completed the continuing education (CE) required to renew his state insurance license when, in fact, another person had completed that CE on his behalf. As a result of the foregoing, Williams violated FINRA Rule 2010.

2. Also, in October 2023 and June 2024, Williams falsely stated that he had personally completed the CE courses and associated exams when, in fact, he had not. Further, in October 2024, Williams failed to provide information and documents requested pursuant to Rule 8210. As a result of the foregoing, Williams violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

3. From March 12, 2013 through November 4, 2024, Williams was registered with FINRA as an Investment Company and Variable Contracts Products Representative through an

association with PFS Investments. On November 4, 2024, PFS Investments filed a Uniform Termination Notice for Securities Industry Registration (Form U5) stating that Williams “was discharged after he failed to respond to FINRA’s 8210 Request or to the Firm’s attempts to contact him concerning that request.”

4. Although Respondent is no longer registered or associated with a FINRA member, he remains subject to FINRA’s jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA’s By-Laws, because (1) the Complaint was filed within two years after November 4, 2024, which was the effective date of termination of Respondent’s registration with PFS Investments and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member.

FACTS

A. State of New York CE Requirements for Insurance Licenses

5. The State of New York requires individuals to hold insurance licenses to sell various insurance products, including securities such as variable annuities. Insurance licenses in New York must be renewed every two years and cannot be renewed until the licensee has completed at least 15 CE credits, including credits in certain subject areas.

6. The State of New York allows licensees to complete required CE courses online using third-party CE providers approved by the State. Prior to the COVID-19 pandemic, the State of New York required that licensees taking CE courses online also complete the associated course exams in the presence of a state-approved proctor to receive CE credit.

7. In 2020, the State of New York initially suspended and then, in November 2020, permanently revoked the requirement that online CE course exams be proctored and instead allowed licensees to take the courses and exams online without a proctor present.

8. One of the companies that is approved by the State of New York to provide online CE courses and examinations for insurance licensees is Company A. A licensee can access CE courses and associated examinations online by creating an account with Company A with a unique username and password. Company A maintains records of the CE courses and examinations completed by each account holder.

9. Once licensees complete their required CE courses and examinations, they then must log in to the New York State website and certify compliance with the CE requirements to renew their licenses.

10. Company A's insurance CE courses are organized into chapters. In order to progress to the next chapter, an individual must successfully complete review questions for that chapter. After an individual clicks through the course material and successfully responds to the review questions for all chapters, the course exam is available to be completed.

B. In 2018 and 2020, Williams Used Person A to Proctor Two New York State CE Exams.

11. Williams first obtained an insurance license through the State of New York in 2010. He was licensed by the State to sell life, accident, and health policies from 2010 until October 2, 2024. Williams was required to renew his license by early October of every even year (*e.g.*, 2018, 2020, and 2022).

12. In 2018 and 2020, Williams used Person A, a state-approved proctor for New York's insurance-licensing examinations, to monitor his state insurance CE course exams. In both years, Person A sent Williams emails with instructions for his upcoming courses and examinations, including a specific date and time for Williams to take the exams, as well as directions to Person A's office where Person A would proctor the exams.

C. In 2022, Williams Falsely Certified that He Completed His Required CE to New York State.

13. In October 2022, Williams was due to renew his New York insurance license, which required that he complete at least 15 hours of CE.

14. Unlike in 2018, Williams was able to take the CE courses and examinations online in 2022 without a proctor present because that requirement had been eliminated by the State of New York in November 2020.

15. In September 2022, Williams spoke with Person A to procure his services.

16. On September 14, 2022, after speaking to Williams, Person A sent Williams an email instructing Williams to buy particular CE courses from Company A, including a suitability course and a three-course package on ethics, law, and diversity.

17. Unlike the 2018 and 2020 emails, Person A's September 14, 2022 email did not provide an appointment date or time, or directions to an exam location.

18. Also, unlike in prior years, Person A instructed Williams to change his password to Company A's platform to one provided by Person A.

19. Additionally, the September 14, 2022 email informed Williams that Person A was charging him a fee for his services in 2022 that was more than double the fee that Person A had charged Williams in 2018 and 2020.

20. On September 22, 2022, in the early afternoon, Williams responded to Person A, stating that he had purchased the CE courses Person A recommended. Williams also informed Person A that he had changed the password to his account at Company A to the one provided by Person A.

21. Later in the evening on September 22, 2022, an individual using Williams' account with Company A completed the course material, review questions, and final exams for

the four courses Williams had purchased—Diversity, Inclusion, & Elimination of Bias; Ethics and Professionalism; New York Insurance Law; and Suitability Best Practices—and received a passing score. The total time spent on the course material, review questions, and final exams for the four courses was 19 minutes.

22. Those courses included final exams with a total of 80 questions.

23. The person who took the four examinations completed them in only 3 minutes and 30 seconds.

24. The examinations were taken using a computer located in the office of Person A.

25. Williams did not complete the CE coursework or examinations.

26. Nonetheless, in or before October 2022, Williams renewed his New York State insurance license and attested to the State of New York as follows: “I ATTEST THAT I HAVE COMPLETED STATUTORY CONTINUING EDUCATION AS INDICATED BELOW AND MAINTAIN CERTIFICATES EVIDENCING THIS.”

D. Williams Provided False and Misleading Information to FINRA Staff in Response to an 8210 Request and in Testimony.

27. On September 22, 2023, FINRA staff sent Williams a request for information and documents pursuant to FINRA Rule 8210. Item three requested as follows: “For each instance on which you have renewed any insurance license since January 1, 2020, provide the following information . . . c. State whether you personally completed the CE course and any associated examination(s) or whether someone else completed the course or examination on your behalf; [and] d. State whether [Person A] assisted you in any way regarding the completion of the CE course or the associated examination(s) and the nature of assistance he provided[.]”

28. Williams responded to FINRA’s 8210 request on October 5, 2023. In his response, he referred to the courses Diversity, Inclusion, & Elimination of Bias; Ethics and

Professionalism; New York Insurance Law; and Suitability Best Practices completed under his login in September 2022 and stated, “I [p]ersonally completed the CE course[s]” and “No, [Person A] didn’t assist me in any[]way.”

29. As described above, these responses were false. Williams did not complete the CE courses or examinations in September 2022.

30. Similarly, on June 17, 2024, Williams appeared for testimony in response to a request issued pursuant to FINRA Rule 8210. During his testimony, Williams stated that he completed his 2022 continuing education entirely by himself, including the exams, and that no one took the exams for him or gave him the answers.

31. Such testimony was false.

E. Williams Failed to Provide Information and Documents Requested Pursuant to FINRA Rule 8210.

32. In connection with its investigation, on October 1, 2024, FINRA sent Williams a request for information and documents pursuant to FINRA Rule 8210 seeking information related to Williams’ financial transactions for the time period around September 22, 2022, when an individual using Williams’ account with Company A completed four CE courses for him (the “October 1 Request”). Williams’ response was due on October 15, 2024.

33. FINRA served the October 1 Request on Williams via certified and first-class mail to Williams’ CRD Address.

34. FINRA also sent courtesy copies of the October 1 Request via Request Manager to Williams’ email address on October 1, 2024, and directly to Williams’ email address on October 2, 2024.

35. The tracking information associated with the certified mailing of the October 1 Request shows that it was delivered on October 3, 2024.

36. The first-class mailing of the October 1 Request was not returned to FINRA.

37. Williams did not respond to the October 1 Request in any way, nor did he request an extension of the response deadline.

38. As a result, on October 17, 2024, FINRA sent Williams a second request for information and documents pursuant to FINRA Rule 8210, requesting the same information and documents sought in the October 1 Request (the “October 17 Request”). Williams’ response to the October 17 Request was due on October 31, 2024.

39. FINRA served the October 17 Request on Williams via certified and first-class mail to Williams’ CRD Address.

40. FINRA also sent courtesy copies of the October 17 Request via Request Manager to Williams’ email address and directly to Williams’ email address on October 17, 2024.

41. The tracking information associated with the certified mailing of the October 17 Request shows that it was delivered on October 19, 2024.

42. The first-class mailing of the October 17 Request was not returned to FINRA.

43. Williams did not respond to the October 17 Request in any way, nor did he request an extension of the response deadline.

**FIRST CAUSE OF ACTION
Making a False Certification to the State of New York
(Violation of FINRA Rule 2010)**

44. The Department of Enforcement realleges and incorporates by reference all preceding paragraphs.

45. FINRA Rule 2010 provides that “[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.”

46. In or before October 2022, Williams falsely certified to the State of New York that he completed his CE requirements when, in fact, another individual did so on his behalf.

47. Based on the foregoing conduct, Williams violated FINRA Rule 2010.

SECOND CAUSE OF ACTION
False and Misleading Responses and Testimony
Provided Pursuant to FINRA Rule 8210
(Violation of FINRA Rules 8210 and 2010)

48. The Department of Enforcement realleges and incorporates by reference all preceding paragraphs.

49. FINRA Rule 8210(a)(1) provides that FINRA staff may “require a . . . person subject to FINRA’s jurisdiction to provide information orally, in writing, or electronically . . . and to testify at a location specified by FINRA staff, under oath or affirmation administered by a court reporter or a notary public if requested, with respect to any matter involved in [an] investigation, complaint, examination, or proceeding[.]”

50. FINRA Rule 8210(c) provides that “[n]o member or person shall fail to provide information or testimony . . . pursuant to this Rule.”

51. A person subject to FINRA’s jurisdiction who provides false, incomplete, or misleading information or testimony to FINRA during the course of an investigation violates FINRA Rule 8210.

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

53. Williams, while subject to FINRA’s jurisdiction, provided, pursuant to FINRA Rule 8210, responses to FINRA’s requests for information and testimony that were false and misleading.

54. On October 5, 2023, Williams submitted a written response to a request for documents and information made pursuant to FINRA Rule 8210 that contained false and misleading statements as alleged in paragraphs 27 to 29 above.

55. On June 17, 2024, Williams provided false and misleading testimony pursuant to FINRA Rule 8210 as alleged in paragraphs 30 to 31 above.

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

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

57. The Department of Enforcement realleges and incorporates by reference all preceding paragraphs.

58. FINRA Rule 8210(a)(1) provides that FINRA staff may “require a . . . person subject to FINRA’s jurisdiction to provide information orally, in writing, or electronically . . . with respect to any matter involved in [an] investigation, complaint, examination, or proceeding[.]”

59. FINRA Rule 8210(a)(2) provides that FINRA staff shall have the right to “inspect and copy the books, records, and accounts of such . . . person with respect to any matter involved in the investigation . . . that is in such . . . person’s possession, custody or control.”

60. FINRA Rule 8210(c) provides that “[n]o member or person shall fail to provide information or testimony . . . pursuant to this Rule.”

61. Failing to respond to FINRA’s requests for information and documents issued pursuant to FINRA Rule 8210 violates FINRA Rule 8210 and 2010.

62. On October 1 and October 17, 2024, as alleged in paragraphs 32 to 42 above, FINRA sent requests for information and documents to Williams pursuant to FINRA Rule 8210.

63. The October 1 and October 17 Requests sought the production of information and documents that were material to FINRA's investigation of Williams' false statement to the State of New York concerning the completion of his CE.

64. Williams did not respond to the October 1 and October 17 Requests.

65. Williams' failure to respond to the October 1 and October 17 Requests was material to FINRA's investigation and significantly impeded the completion of FINRA's investigation into his misconduct.

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

RELIEF REQUESTED

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 bears such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: February 21, 2025



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