

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2024081095602**

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

RE: David J. Taddeo (Respondent)
Former General Securities Representative
CRD No. 1163829

Pursuant to FINRA Rule 9216, Respondent David J. Taddeo 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

Taddeo first registered with FINRA as a General Securities Representative (GS) in 1983 through an association with a FINRA member. In September 2000, he registered as a GS through an association with LPL Financial, LLC (CRD No. 6413). He subsequently registered as a General Securities Principal.

On March 8, 2024, LPL filed a Uniform Termination Notice for Securities Industry Registration (Form U5) on Taddeo's behalf, disclosing that it had discharged Taddeo after he had "[d]irected customers to participate in private securities transaction in which representative also participated, in violation of Firm Policy." Although Taddeo is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.¹

OVERVIEW

From August 2020 through September 2020, while associated with a FINRA member, Taddeo participated in private securities transactions with three customers who invested a total of \$255,000, without providing prior written notice to his firm. As a result, Taddeo violated FINRA Rules 3280 and 2010.

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

Between November 2021 and March 2022, Taddeo settled the complaints of two customers who invested in the private securities transactions, without the knowledge or consent of his member firm. As a result, Taddeo violated FINRA Rule 2010.

For these violations, Taddeo is suspended in all capacities for four months and fined \$7,500.

FACTS AND VIOLATIVE CONDUCT

This matter originated from the March 2024 Form U5 filed by LPL.

A. Taddeo participated in private securities transactions without providing prior written notice to his firm.

FINRA Rules 3280(a) and (b) prohibit an associated person from “participat[ing] in any manner in a private securities transaction” without first giving his firm written notice “describing in detail the proposed transaction,” his “proposed role” in the transaction, and whether he has received or may receive selling compensation in connection with the transaction.” FINRA Rule 3280(e)(1) defines a private securities transaction, in relevant part, as “any securities transaction outside the regular course or scope of an associated person’s employment with a member.”

A violation of FINRA Rule 3280 is also a violation of FINRA Rule 2010, which requires an associated person, in the conduct of his business, to observe high standards of commercial honor and just and equitable principles of trade.

In August and September 2020, Taddeo solicited three of his customers at LPL to purchase promissory notes from a company engaged in financial debt instrument arbitrage. Collectively, the customers invested \$255,000 in the promissory notes.

Taddeo participated in the private securities transactions by introducing customers to the investment opportunity, providing information regarding the company to the customers, and, assisting two customers with liquidating investments in their brokerage accounts at LPL to generate the funds for the investment. Taddeo did not receive any commission or other remuneration in exchange for his customers’ investments.

At all relevant times, LPL’s written supervisory procedures required associated persons to provide written notice to, and receive written approval from, the firm prior to engaging in any private securities transaction. LPL’s procedures further prohibited associated persons from directing customers and non-customers to investments that were not approved by LPL. Nonetheless, Taddeo did not provide written notice to LPL prior to his participation in the private securities transactions, which were outside the scope of his employment with the firm.

Moreover, Taddeo falsely attested on his annual compliance questionnaire for 2020, 2021, and 2022, that he had not offered, issued, or participated in private securities transactions or promissory notes, outside of LPL and that he understood he could not direct customers and non-customers to investments not approved by LPL.

By participating in the private securities transactions without prior written notice to his firm, Taddeo violated FINRA Rules 3280 and 2010.

B. Taddeo settled two customer complaints without the knowledge or consent of his firm.

Settling a customer complaint without the knowledge or approval of a registered representative's member firm is conduct inconsistent with just and equitable principles of trade and is a violation of FINRA Rule 2010.

Throughout the relevant period, LPL's written supervisory procedures required registered representatives to escalate customer complaints to managers and prohibited representatives from settling complaints that had not been disclosed to the firm.

Between November 2021 and March 2022, two of the customers whom Taddeo solicited to invest in the private securities transactions complained orally to Taddeo after the company defaulted on the promissory notes. Taddeo personally repaid the two customers the amount of their original investment in the promissory notes. Taddeo did not disclose to LPL the customers' complaints or his settlements with the customers. Moreover, Taddeo falsely attested on annual compliance questionnaires for 2021, 2022, and 2023 that he had not settled customer complaints away from the firm.

LPL did not learn of any customer complaint or Taddeo's settlements with the two customers until December 2023, when the third customer to whom Taddeo sold the promissory note complained in writing.

Therefore, Taddeo violated FINRA Rule 2010.

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

- a four-month suspension from associating with any FINRA member in all capacities and
- a \$7,500 fine.

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 prejudice 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

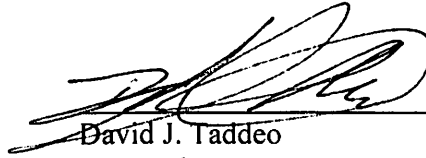
Respondent understands that:

- 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;
 4. this AWC may be taken into consideration by employers and other regulatory or licensing entities or authorities in their hiring, retention, licensing, or other decisions. This AWC may also have other adverse collateral consequences outside of FINRA's control; and
 5. 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.

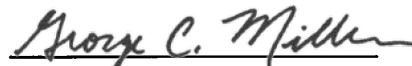
Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

12/11/25
Date



David J. Taddeo
Respondent

Reviewed by:



George Miller, Esq.
Counsel for Respondent
Shustak Reynolds & Partners, P.C.
401 West A Street, Suite 2200
San Diego, CA 92101

Accepted by FINRA:

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

December 30, 2025
Date

Cara McGourty

Cara McGourty
Counsel
FINRA
Department of Enforcement
200 Liberty Street
New York, NY 10281