

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

Joshua Ethan Scholnick
CRD No. 7720831,

Respondent.

Disciplinary Proceeding
No. 2024081184401

Hearing Officer—MJD

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: March 18, 2026

INTRODUCTION

Disciplinary Proceeding No. 2024081184401 was filed on September 10, 2025, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA or Complainant). Respondent Joshua Ethan Scholnick submitted an Offer of Settlement (Offer) to Complainant dated March 16, 2026. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of

Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Scholnick became associated with MML Investors Services, LLC (MMLIS) in March 2023, when he began working as a new business coordinator supporting the firm's securities business. In this role, Scholnick handled the firm's appointment calendar and processed account opening paperwork, distribution and contribution requests, and beneficiary change requests.

On December 18, 2023, Scholnick registered with FINRA as a General Securities Representative through an association with MMLIS.

On March 22, 2024, MMLIS filed a Uniform Termination Notice for Securities Industry Registration (Form U5), disclosing that Scholnick had been "permitted to resign after receiving notification from FINRA with respect to an Event Incident Report stating he potentially was in possession of a mobile device during an SIE Exam."

Although Scholnick is no longer 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 the Complaint (1) was filed within two years after March 22, 2024, which was the effective date of termination of respondent's registration with MMLIS, and (2) charges him with misconduct committed while he was associated with a FINRA member.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

SUMMARY

On August 25, 2023, while associated with a FINRA member, Joshua Scholnick cheated on the Securities Industry Essentials (SIE) examination. During the examination, which Scholnick took from his home, he used his phone to access prohibited study materials to help him answer the test's questions. He did so after acknowledging and agreeing to follow FINRA's SIE Rules of Conduct, which forbid possessing or using phones, notes, and study materials during the examination. As a result, Scholnick violated FINRA Rules 1210.05 and 2010, both independently and by virtue of his violation of Rule 1210.05.

FACTS

The SIE examination is a FINRA examination for prospective securities industry professionals. The examination assesses a candidate's knowledge of basic securities industry information including types of securities products and their risks; the structure of the securities industry markets, regulatory agencies and their functions; and prohibited practices.

The SIE examination consists of 75 multiple-choice questions.

To pass the SIE examination, candidates must achieve a score of 70% or higher.

Candidates have an hour and 45 minutes to complete the SIE examination.

Candidates taking the SIE examination are not permitted to bring reference material to their testing session. The content outline for the examination, available on FINRA's website, advises that "[s]evere penalties are imposed on candidates who cheat or attempt to cheat on FINRA-administered exams."

Candidates taking the SIE examination must agree to abide by the SIE Rules of Conduct.

Prior to taking the SIE examination, Scholnick used his cell phone to take photographs of notes and reference materials that he had compiled to study for the SIE examination.

Those photographs were on Scholnick's phone on August 25, 2023, when he logged onto the remote testing platform from his home to take the SIE examination.

After logging into the remote testing platform and before starting the SIE examination, Scholnick was reminded by the examination proctor that he "may not use [his] phone ... during the exam" or "have any powered electronic devices in the testing area."

Prior to starting the SIE examination, Scholnick agreed to abide by the SIE Rules of Conduct, specifically:

- (a) "For the duration of my examination, I will not use or attempt to use any personal items, such as ... phones; ... personal notes and study materials;"
- (b) "For testing remotely, I will store all personal items outside of the room in which I am taking the examination prior to testing;"
- (c) "I will not act unethically, dishonestly or unfairly, which includes cheating or attempted cheating to gain or attempt to gain an advantage on the examination;"
- (d) "[I]f I take an unscheduled break during my session, I will not access, use or attempt to use any personal items..."

Scholnick agreed to the SIE Rules of Conduct by clicking on the "Agree" button at the bottom of the screen on which they were displayed.

In the same manner, Scholnick acknowledged that violating the SIE Rules of Conduct could subject him to a range of consequences, including being barred from employment or association within the financial services industry, being prohibited from retaking any examination, and forfeiting his session results.

Scholnick viewed photographs of the SIE study materials on his phone on numerous occasions during the examination.

Scholnick referred to his SIE examination study materials on his phone to help him answer the SIE examination questions.

Scholnick changed his answers to the SIE examination after referring to the study materials on his phone.

During the examination, the proctor asked Scholnick why he was looking down continuously and twice told him not to look away from his laptop screen during the examination as it was a violation of the test rules.

Scholnick completed his examination and exited the platform without first notifying the proctor.

Scholnick received a score of 65% and failed the test.

CAUSE OF ACTION
Cheating on, and Possessing Unauthorized Materials During, a Qualification Exam
(FINRA Rules 1210.05 and 2010)

FINRA Rule 1210.05 provides that “Associated persons taking the SIE shall be subject to the SIE Rules of Conduct.” FINRA Rule 1210.05 further provides that a violation of the SIE Rules of Conduct is deemed to be a violation of FINRA Rule 2010. FINRA Rule 1210.05 also states that “[i]f FINRA determines that an associated person has violated the SIE Rules of Conduct..., the associated person may forfeit the results of the examination and may be subject to disciplinary action by FINRA.”

FINRA Rule 2010 requires associated persons to observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business.

By possessing and using his phone, notes, and study materials while he took the SIE examination on August 25, 2023, Scholnick violated FINRA Rules 1210.05 and violated FINRA Rule 2010, independently and by virtue of having violated FINRA Rule 1210.05.

By cheating on the SIE examination on August 25, 2023, Scholnick violated FINRA Rules 1210.05 and violated FINRA Rule 2010, independently and by virtue of having violated FINRA Rule 1210.05.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent be sanctioned as follows:

- A bar from association with any FINRA member in all capacities.

The sanctions imposed herein shall be effective on a date set by FINRA staff. A bar or expulsion is effective upon approval or acceptance of the Offer.

SO ORDERED.

FINRA

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



Alana Montas
Counsel
FINRA Department of Enforcement
Brookfield Place, 200 Liberty Street
New York, NY 10281