FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2025086007201

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

RE: Robert Settimio Cupello (Respondent)
Investment Company and Variable Contracts Products Representative
CRD No. 1036533

Pursuant to FINRA Rule 9216, Respondent Robert Settimio Cupello 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

Cupello first entered the securities industry in May 1985 through an association with a FINRA member firm. Since May 2021, Cupello has been registered as an Investment Company and Variable Contracts Products Representative through an association with Supreme Alliance LLC.[1]

OVERVIEW

Between July 2021 and December 2022, Cupello recommended six variable annuity exchanges to senior customers without a reasonable basis to believe that the transactions were suitable. Specifically, Cupello failed to conduct a reasonable comparative analysis of the customers' existing and prospective living benefit riders to determine whether the customers would benefit from the new riders. Accordingly, Cupello violated FINRA Rules 2330 and 2010. For these violations, Cupello is suspended for two months in all capacities and fined $5,000.

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

FACTS AND VIOLATIVE CONDUCT

This matter originated from a FINRA examination of Supreme Alliance LLC.

Variable annuities are complex, long-term investments that offer tax-deferred treatment of earnings and contain securities and insurance features. These features may include a guaranteed periodic income payment or a guaranteed death benefit. FINRA requires that firms and their associated persons exercise particular care before recommendation of a variable annuity.

In particular, FINRA Rule 2330(b) prohibits an associated person from recommending the purchase or exchange of a deferred variable annuity unless the associated person has a reasonable basis to believe that the transaction is suitable. It specifically requires associated persons to have a reasonable basis to believe, among other things, that the customer has been informed of various features of deferred variable annuities, including the potential surrender period and surrender charge, and that the customer would benefit from certain features of the annuities, such as tax-deferred growth, annuitization, or a living or death benefit. The Rule further requires that, in the case of a variable annuity exchange, the registered representative has a reasonable basis to believe that the exchange is suitable taking into consideration whether (i) the customer would incur a surrender charge, be subject to the commencement of a new surrender period, lose existing benefits (such as death, living, or other contractual benefits), or be subject to increased fees or charges; (ii) the customer would benefit from product enhancements and improvements; and (iii) the customer has had another deferred variable annuity exchange within the preceding 36 months.

Violations of FINRA Rule 2330 also constitute violations of FINRA Rule 2010, which requires 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.

Between July 2021 and December 2022, Cupello recommended that six senior customers exchange their existing deferred variable annuity contracts to purchase new deferred variable annuities without a reasonable basis to believe that the transactions were suitable. Specifically, Cupello failed to conduct a reasonable comparative analysis of the customers' existing and prospective living benefit riders to determine whether the customers would benefit from the new riders. Each of the six customers owned existing variable annuities with riders that had guaranteed a lifetime withdrawal rate ranging between 4% and 5%. This rate was calculated against living benefit bases that had accumulated value greater than the actual values of their contracts. The exchanges resulted in the loss of that excess value.

For each of these customers, Cupello recommended an exchange into a variable annuity with a maximum guaranteed withdrawal benefit rider. The maximum guaranteed withdrawal benefit rider provides a conditional annual withdrawal rate of up to 8%, with annual step-ups to the withdrawal benefit base for up to ten years or the first lifetime withdrawal, whichever is earlier. Once a lifetime withdrawal is made, the withdrawal rate and the benefit base are locked in, and the customer receives the higher withdrawal rate (around 8%) only if the underlying contract value exceeds $0. Once the contract value is depleted, the withdrawal rate is reduced to 3% or 3.25%. There are various factors that can impact a contract value's depletion rate and the length of time before the contract reaches $0, including the length of time that the income benefit base receives annual step-ups, unanticipated excess withdrawals, subaccount performance, and fees and expenses. Maximum guaranteed withdrawal benefit riders are thus generally intended to maximize a customer's withdrawals in the earlier years of retirement and assume the customer has other sources of income to fund later retirement years.

Cupello did not have a reasonable basis to believe that the exchanges to purchase variable annuities with maximum guaranteed withdrawal benefit riders were suitable for the six senior customers. Each customer intended to rely on income from these variable annuities for their retirements, most within or around a year of making the exchange. Most customers had already started taking income from their existing annuities. Cupello thus did not have a reasonable basis to believe that the customers would benefit from the new rider's step-up feature.

Moreover, for all of the customers, Cupello failed to reasonably consider the risk and impact of a reduction in the withdrawal rate when the contract value reached zero. Rather, Cupello assumed that the customers would not outlive their contract balances without reasonably considering various factors that could affect that assumption, including market performance, unanticipated needs and life expectancy.

Therefore, Cupello violated FINRA Rules 2330(b) and 2010.

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

- a two-month suspension from associating with any FINRA member in all capacities and
- a $5,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

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 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;

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.

1/21/2026
Date

Robert Settimio Cupello
Robert Settimio Cupello
Respondent

Reviewed by:

Steven E. Cole
Counsel for Respondent
Adams Leclair LLP
1200 Bausch and Lomb Place
Rochester, NY 14604

Accepted by FINRA:

2/18/2026
Date

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

Allison Kim
Counsel
FINRA
Department of Enforcement
200 Liberty Street
New York, NY 10281-1003

CORRECTIVE ACTION STATEMENT

This Corrective Action Statement is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

For any future sales of variable annuities, I agree to the following steps to ensure compliance with FINRA Rules 2330(b) and 2010: I will specifically take into account the possibility of the account balance reaching zero when considering the comparative benefits of a proposed annuity versus an existing annuity, including the other required factors, and will explicitly disclose to the client those risks in writing. Of course, all sales will also be subject to review and approval by Supreme Alliance's compliance department.

Dated: February 12, 2026

Robert S. Cupello

Robert S. Cupello