

**COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE SECRETARY OF THE COMMONWEALTH
SECURITIES DIVISION
ONE ASHBURTON PLACE, ROOM 1701
BOSTON, MASSACHUSETTS 02108**

_____)	
IN THE MATTER OF:)	
)	
FIDELITY BROKERAGE SERVICES LLC,)	Docket No. E-2021-0030
)	
RESPONDENT.)	
_____)	

ADMINISTRATIVE COMPLAINT

I. PRELIMINARY STATEMENT

The Enforcement Section of the Securities Division of the Office of the Secretary of the Commonwealth of Massachusetts (the “Enforcement Section” and the “Division,” respectively) files this Administrative Complaint (the “Complaint”) to commence an adjudicatory proceeding against Fidelity Brokerage Services LLC (“FBS” or “Respondent”) for violations of the Massachusetts Uniform Securities Act, Mass. Gen. Laws c. 110A (the “Act”), and the regulations promulgated thereunder at 950 Code Mass. Regs. 10.01-14.413 (the “Regulations”). The Enforcement Section alleges that Respondent, a securities broker-dealer registered in Massachusetts, (1) engaged in unethical and dishonest conduct and practices in the securities business and (2) failed reasonably to supervise agents to assure compliance with the Act, all in connection with Respondent’s review of retail brokerage customer applications for options and margin trading.

The Enforcement Section seeks an order: (1) finding as fact all allegations set forth in Sections IV through VI, inclusive, of this Complaint; (2) concluding that Respondent violated the Act and the Regulations as alleged in Section VII of this Complaint; (3) finding that all of the sanctions and remedies requested herein are in the public interest and necessary for the protection of Massachusetts investors; (4) requiring Respondent to permanently cease and desist from further conduct in violation of the Act and the Regulations; (5) censuring Respondent; (6) requiring Respondent to retain an independent compliance consultant to review Respondent's relevant written supervisory policies and make appropriate recommendations for revisions; (7) imposing an administrative fine upon Respondent in an amount and upon such terms and conditions as the Presiding Officer may determine; and (8) taking any such further action which may be necessary or appropriate in the public interest and for the protection of Massachusetts investors.

II. SUMMARY

Fidelity Brokerage Services LLC ("FBS"), a securities broker-dealer and a subsidiary of Boston-based FMR LLC (d/b/a "Fidelity Investments"), has repeatedly failed to perform reasonable due diligence in connection with the approval of Massachusetts customer accounts. Specifically, FBS engaged in facially unethical and dishonest conduct in the securities business by recklessly failing to make a good-faith effort to review options and margin applications submitted by individual retail investors. As a result of FBS's half-hearted and lackadaisical attitude toward safeguarding, the firm granted options and margin approval to Massachusetts customers in violation of Massachusetts securities laws.

FBS's blatantly unethical disregard for safeguarding, along with its inadequate supervisory compliance policies, continue to risk exposing retail brokerage customers to

the hazards of options¹ and margin² trading, thereby threatening both the financial health of its Massachusetts customers and the stability of the securities market. These failures are especially problematic in light of the explosive growth FBS experienced in its retail brokerage account business over the course of 2021. As of September 30, 2021, FBS had a total of 30.9 million retail brokerage accounts, a 22.9% increase from Q3 of 2020. Younger customers were responsible for opening a substantial number of these new retail brokerage accounts. In fact, customers age 35 or younger opened 1.6 million of the 4.1 million total new accounts that FBS gained during Q1 of 2021, a 222.8% increase from Q1 of 2020. During Q2 of 2021, FBS gained an additional 697,000 new retail brokerage accounts that were opened by customers age 35 or younger, a 65% increase from Q2 of 2020.

FBS utilizes a Central Review Team (the “CRT”), a group of only approximately 50 broker-dealer agents, to review options and margin applications from all FBS customers. In the course of this business, FBS (1) failed to conduct the most basic due diligence, such as reviewing customer information already on file, before granting options and margin trading approval, (2) failed to reasonably train CRT members, and (3) failed to monitor and enforce its own policies and procedures to ensure compliance with Massachusetts securities laws. These failures run contrary to well-established regulatory requirements and guidance concerning the review of options and margin applications.

¹ Options trading is considered to be particularly risky due to options’ relative complexity, their lack of liquidity, and the fact that simply breaking even requires the holder or writer to accurately predict short-term price fluctuations in the underlying asset.

² Margin trading involves using an account’s securities holdings as collateral to borrow money from the brokerage firm in order to purchase additional securities; this practice entails the inherent risks of indebtedness, plus a minimum account equity requirement that the brokerage firm may satisfy by selling securities in the account without notice to the customer.

In fact, as of July 2016, FBS included a provision in its Options Application Review Compliance Policy (the “Provision” and the “Policy,” respectively) that instructed options application reviewers to “be alert to a customer initiating a pattern of reapplying for options approval by frequently increasing his or her financial or experience information in order to meet the approval standards.” As the basis for the Provision, the Policy cited Financial Industry Regulatory Authority (“FINRA”) Rule 2360(b)(16)(B), which FBS itself described as requiring member firms to exercise due diligence to obtain essential facts relative to a customer’s financial situation and investment objective when considering that customer’s options application. FBS retained the Provision when it updated the Policy in August 2020, but it removed the Provision from the Policy during the second half of 2021.

Despite including the Provision within the Policy between July 2016 and the second half of 2021, FBS’s careless attitude toward the review of options applications from retail brokerage accounts resulted in the firm never actually enforcing the Provision. FBS failed to inform key CRT members about the Provision, let alone provide them with guidance as to what constitutes a “pattern” or how to identify one. Furthermore, FBS has never required CRT members to read the Policy, so they never had an opportunity to discover the Provision for themselves.

FBS’s approach to compliance with respect to the Provision is especially problematic given that, in each of the years during which the Provision was included in the Policy but not enforced, the firm’s President signed a certification stating that FBS had reviewed and tested its compliance policies. If FBS had actually reviewed the Policy on an annual basis, the firm would have removed the Provision from the Policy prior to 2021. If FBS had actually tested the Provision before deciding to cease enforcing it, the firm would

have discovered the significant number of successive options applications that some of its retail customers had submitted. Thus, the annual compliance certification appears to be nothing more than a paper formality.

FBS's failure to enforce the Provision, coupled with its assembly line approach to options and margin application review,³ created an options and margin approval process that was easy for retail brokerage customers to outsmart. Despite having access to every prior options and margin application that a retail brokerage customer has ever submitted, CRT members never look beyond the single application in front of them. This approach enabled FBS to approve just over 27,375 options applications from retail brokerage accounts between mid-March 2020 and early-December 2021.

Consequently, CRT members never ascertained relevant customer information and missed glaring inconsistencies across successive options applications submitted by retail brokerage accounts between mid-March 2020 and the end of June 2021. For example, CRT members failed to detect instances in which (1) customers claimed to have gained years of investment experience in the span of just a few days, (2) customers claimed to have lost years of investment experience, (3) a customer claimed to have been promoted from "Scientist" to "CEO" less than a day after FBS denied the customer's previous options application, (4) customers claimed that their annual incomes increased less than a day after FBS denied their prior options applications, (5) a customer claimed to have the occupation of "Job," and (6) an account submitted 11 options applications in the span of a single week.

³ CRT members view paper applications and composites generated from electronic applications posted in their assigned queues in order to render a final decision as to the account's eligibility for options and/or margin trading. The review of options and margin applications occurs in large batches; FBS expects CRT members to review paper applications at a rate of approximately 12 per hour and electronic applications at a rate of approximately 300 per hour. A CRT member might spend as little as a single minute reviewing an electronic application.

CRT members approved these retail brokerage accounts for options trading at levels for which they had just recently been denied. Some of these customers went on to purchase options in popular “meme stocks,” such as AMC Entertainment Holdings, Inc. (“AMC”), BlackBerry Limited (“BB”), and Nokia Corporation (“NOK”). In this respect, FBS fell far short of exercising the due diligence required to comply with the Act and the Regulations.

FBS’s inattentiveness has also resulted in shortcomings related to the firm’s compliance with regulations on margin trading approval. FINRA Rule 4210(b) obligates FBS to require that a customer deposit a minimum amount of equity, in the form of cash and/or securities, before FBS will approve that customer for margin trading. If a customer qualifies as a pattern day trader based on trading frequency, FBS must impose a greater minimum equity requirement. Since at least July 2018, FBS has not had any written policies or other procedures in place in order to ensure that a retail brokerage customer meets the applicable minimum equity requirement. Although CRT members have access to the necessary customer information in order to make this determination, FBS does not instruct them to do so. Consequently, FBS has approved a multitude of margin applications with no regard for whether those retail customers had sufficient funds to hedge against potential losses.

After the commencement of the Enforcement Section’s investigation, FBS implemented a new policy prohibiting a retail brokerage account from submitting an electronic options application if the account has already submitted 2 other options applications within the prior 60 days. However, this does not necessarily prevent back-to-back submissions of electronic options applications. FBS still does not limit how frequently a retail brokerage account may submit paper options applications, nor does it limit how

frequently a retail brokerage customer may submit margin applications of either kind. Consequently, the Enforcement Section takes this action to ensure FBS remedies the deficiencies highlighted in this Complaint and acts in the best interest of its customers, and to bring the firm into compliance with Massachusetts securities laws.

III. JURISDICTION AND AUTHORITY

1. The Division has jurisdiction over matters related to securities pursuant to the Act, codified at Chapter 110A of the Massachusetts General Laws.
2. The Enforcement Section brings this action pursuant to the authority conferred upon the Division by Sections 204, 407A, 412, and 414 of the Act, which empower the Division to conduct an adjudicatory proceeding to enforce the provisions of the Act and the Regulations.
3. The Enforcement Section files this Complaint in accordance with Section 10.06 of the Regulations.
4. The Enforcement Section reserves the right to move to amend this Complaint pursuant to Section 10.06 of the Regulations.
5. The Enforcement Section reserves the right to bring additional Administrative Complaints to reflect information discovered during its current and ongoing investigation into this matter.

IV. RELEVANT TIME PERIOD

6. Except as otherwise expressly stated, the acts and practices described herein occurred during the approximate time period of March 17, 2020 to June 30, 2021, inclusive (the “Relevant Time Period”).

V. RESPONDENT

7. Fidelity Brokerage Services LLC (“Respondent”) is a limited liability company organized under the laws of Delaware on June 8, 2000. Respondent has a last known principal place of business located at 900 Salem Street, Smithfield, Rhode Island 02917.

VI. STATEMENT OF FACTS

A. Background

8. Respondent is a securities broker-dealer.
9. Respondent is a subsidiary of Fidelity Global Brokerage Group, Inc.
10. Fidelity Global Brokerage Group, Inc. is a subsidiary of FMR LLC.
11. Respondent has a Financial Industry Regulatory Authority (“FINRA”) Central Registration Depository (“CRD”) number of 7784.
12. Respondent was a FINRA member firm throughout the entirety of the Relevant Time Period and continues to be a FINRA member firm as of the date of this Complaint.
13. Respondent’s predecessor entity originally became registered as a securities broker-dealer in Massachusetts on July 31, 1981.
14. As of June 30, 2021, Respondent had 82.8 million customer accounts.
15. As of June 30, 2021, Respondent had \$11.1 trillion in assets under management.
16. The average number of daily trades for Respondent’s retail and institutional brokerage accounts was 3.5 million in Q1 of 2021, a 59.1% increase from Q1 of 2020.
17. The average number of daily trades for Respondent’s retail and institutional brokerage accounts was 2.6 million in Q2 of 2021, a 14% increase from Q2 of 2020.
18. As of September 30, 2021, Respondent had a total of 30.9 million retail brokerage accounts, a 22.9% increase from Q3 of 2020.

19. During Q1 of 2021, 1.6 million of Respondent's 4.1 million total new accounts were retail brokerage accounts opened by customers age 35 or younger, a 222.8% increase from Q1 of 2020.

20. During Q2 of 2021, Respondent gained an additional 697,000 new retail brokerage accounts that were opened by customers age 35 or younger, a 65% increase from Q2 of 2020.

B. Respondent Failed to Enforce Its Policy Designed to Assure the Firm's Compliance with Regulatory Rules Requiring the Exercise of Due Diligence When Approving Applications for Options Trading.

21. All of Respondent's brokerage account customers are able to place buy and sell orders for basic securities products, such as stocks and bonds.

22. Pursuant to securities industry regulations, Respondent must grant approval before a retail brokerage account may engage in the riskier practice of options trading.

23. Options trading is considered to be particularly risky due to options' relative complexity, their lack of liquidity, and the fact that simply breaking even requires the holder or writer to accurately predict short-term price fluctuations in the underlying asset.

24. Pursuant to securities industry regulations, Respondent must grant approval before a retail brokerage customer may engage in the riskier practice of margin trading.

25. Margin trading, or "trading on margin," is the practice of using a brokerage account's cash and/or securities holdings as collateral to borrow money from the brokerage firm in order to purchase additional securities.

26. Respondent advises that margin trading entails the risk of indebtedness, plus a minimum account equity requirement that Respondent may satisfy by selling securities in the account without notice to the customer.

27. Respondent has established an application review process for customers seeking to add an options and/or a margin trading feature to an existing retail brokerage account.
28. Respondent is responsible for ascertaining certain fundamental customer information prior to approving a customer for options trading.
29. Respondent will approve a retail brokerage account for options trading at one of the following five (5) graduated levels, with each higher level permitting riskier types of options trades, as described below:
- Level 1 (a/k/a “Level A”): Covered call writing on equity options;
 - Level 2 (a/k/a “Level B”): Purchases of calls and puts (equity and index); writing of cash covered puts; includes all trading capabilities under Level 1;
 - Level 3 (a/k/a “Level C”): Equity and index spreads; covered put writing (selling puts against stock that is held short); includes all trading capabilities under Levels 1 and 2;
 - Level 4 (a/k/a “Level D”): Uncovered writing of equity options; includes all trading capabilities under Levels 1, 2, and 3; and
 - Level 5 (a/k/a “Level E”): Uncovered writing of index options; includes all trading capabilities under Levels 1, 2, 3, and 4.
30. The owner of a retail brokerage account may submit a combined options and margin application, a standalone options application, or a standalone margin application in paper format to one of Respondent’s branch locations.
31. Alternatively, the owner of a retail brokerage account may submit an options and margin application, a standalone options application, or a standalone margin application electronically via Respondent’s website.
32. Upon submission of a paper options and/or margin application, one of Respondent’s employees scans the document and uploads the file to Respondent’s computer system, which then posts it to an electronic list, or what Respondent refers to as

a “queue,” of paper options and/or margin applications in need of review; this particular queue is known as, “ROPMS8Q.”

33. Upon submission of an electronic options and/or margin application, Respondent’s specialized software extracts the relevant data and creates a composite of the customer’s reported information.

34. After creating the composite, Respondent’s computer system posts it to one of two queues depending on the application type.

35. Respondent’s computer system posts composites generated from electronic options and margin applications, along with those generated from electronic standalone options applications, to a queue known as, “SCOOPTQ.”

36. Respondent’s computer system posts composites generated from electronic standalone margin applications to a queue known as, “SCOMARQ.”

37. Respondent’s computer system runs an algorithm that prescreens electronic options and/or margin applications for certain eligibility factors.

38. Respondent excludes certain retail brokerage customers from options and margin trading based on factors such as the customer’s occupation or income source.

39. In order to qualify for options trading Level 3 or higher, Respondent requires a retail brokerage account owner to apply and be approved for margin trading.

40. From approximately March 2020 until approximately July 2020, Respondent imposed the following financial and investment-related requirements for each options level:

<i>Criteria</i>	Level 1 (A)	Level 2 (B)	Level 3 (C)	Level 4 (D)	Level 5 (E)
<i>Annual Income</i>	\$20,000 or more	\$50,000 or more	\$50,000 or more	\$100,000 or more	\$100,000 or more
<i>Net Worth</i>	\$30,000 or more	\$50,000 or more	\$100,000 or more	\$100,000 or more	\$100,000 or more

<i>Liquid Net Worth</i>	\$15,000 or more	\$50,000 or more	\$50,000 or more	\$100,000 or more	\$100,000 or more
<i>Investment Experience</i>	1 year investing	2 years investing or at least 1 year trading options, derivatives (commodities, futures, etc.), or equities	1 year options or derivatives (commodities, futures, etc.) investing	1 year options or derivatives (commodities, futures, etc.) investing	1 year index options
<i>Investment Objective</i>	Short term, conservative, balanced, growth, aggressive growth, or most aggressive	Most aggressive	Most aggressive	Most aggressive	Most aggressive

41. Since approximately July 2020, Respondent has imposed the following financial and investment-related requirements for each options level:

Criteria	Level 1 (A)	Level 2 (B)	Level 3 (C)	Level 4 (D)	Level 5 (E)
<i>Annual Income</i>	None required	\$50,000 or more	\$50,000 or more	\$100,000 or more	\$100,000 or more
<i>Net Worth</i>	None required	\$50,000 or more	\$100,000 or more	\$100,000 or more	\$100,000 or more
<i>Liquid Net Worth</i>	None required	\$50,000 or more	\$50,000 or more	\$100,000 or more	\$100,000 or more
<i>Investment Experience</i>	1 year investing	2 years investing or at least 1 year trading options, derivatives (commodities, futures, etc.), or equities	1 year options or derivatives (commodities, futures, etc.) investing	1 year options or derivatives (commodities, futures, etc.) investing	1 year index options
<i>Investment Objective</i>	Short term, conservative, balanced, growth, aggressive growth, or most aggressive	Growth, aggressive growth, or most aggressive	Growth, aggressive growth, or most aggressive	Most aggressive	Most aggressive

42. During the Relevant Time Period, Respondent imposed the following minimum financial requirements in order to qualify for margin trading:

- Annual Income: \$20,000.
- Net Worth: \$30,000.
- Liquid Net Worth: \$15,000.

43. When reviewing an options and/or margin application according to the above financial criteria, Respondent treats the phrase “[dollar amount] or more” as actually meaning “greater than [dollar amount]”; thus, Respondent does not, for example, consider a retail brokerage account owner who reports an annual income of between \$20,001 and \$50,000 as having an annual income of “\$50,000 or more.”

44. During the Relevant Time Period, Respondent employed a group of fifty-one (51) broker-dealer agents out of its office in Covington, Kentucky who reviewed options and margin applications that retail brokerage account customers submitted; Respondent refers to this group as the Central Review Team (the “CRT”).

45. CRT members who review options and margin applications are all Series 9/10 delegates, meaning that they have each passed the FINRA General Securities Sales Supervisor Qualification Examination.

46. CRT members review applications posted to ROPMS8Q, SCOOPTQ, and SCOMARQ using programs known as FDOT and XTRAC in order to render decisions as to each retail brokerage account’s eligibility for options and/or margin trading.

47. There are four (4) possible outcomes of an options application review:

- The retail brokerage account is approved for options trading at the level requested;
- the retail brokerage account is approved for options trading, but at a lower level than requested;
- the retail brokerage account is denied for options trading altogether;
- or
- the application is marked as “Not in Good Order” (“NIGO”).

48. There are three (3) possible outcomes of a margin application review:

- The retail brokerage account is approved for margin;
- the retail brokerage account is denied for margin; or
- the application is marked as NIGO.

49. Respondent has a unit of employees known as the Service Support Group (the “SSG”), which attempts to resolve the deficiencies in electronic options and/or margin applications that have been marked as NIGO, such as by reaching out to the customer to obtain missing information.
50. If the SSG is able to resolve the deficiencies in an electronic options and/or margin application marked as NIGO, the application is subsequently routed to a special queue known as “SCOMOTQ” for re-review, at which point a CRT member renders an eligibility decision and enters the outcome into FDOT.
51. CRT members assigned to ROPMS8Q are expected to review at least twelve (12) paper options and/or margin applications per hour.
52. CRT members assigned to SCOOPTQ and SCOMARQ are expected to review at least 300 electronic options applications per hour.
53. CRT members assigned to SCOMOTQ are expected to review at least fifty (50) electronic options and/or margin applications per hour.
54. Respondent created a training sideshow for CRT members entitled, “Excessive Option Submission Training,” which it last revised on April 15, 2016.
55. According to the Excessive Option Submission Training slideshow, Respondent intended to assign certain CRT members to review retail brokerage accounts flagged as having submitted excessive options applications, a process which was to include scrutinizing account activity and checking for erroneous entries on applications.
56. CRT members who provided on-the-record testimony to the Enforcement Section were unaware of the existence of the Excessive Option Submission Training slideshow.

57. On June 22, 2021, after the commencement of the Enforcement Section's investigation, Respondent began limiting how frequently retail brokerage accounts could submit electronic options applications; this new policy bars any retail brokerage account from submitting an electronic options application if it has already submitted two (2) electronic options applications within the prior sixty (60) days.

58. Prior to June 22, 2021, and despite being aware of the issue of excessive options applications as early as April 15, 2016, Respondent did not impose any limits on the number of electronic options applications that a single retail brokerage account could submit within a given time period.

59. On July 14, 2016, Respondent updated its Options Application Review Compliance Policy (the "Policy") to include a provision (the "Provision") instructing "Series 9/10 delegates" to "be alert to a customer initiating a pattern of reapplying for options approval by frequently increasing his or her financial or experience information in order to meet the approval standards."

60. The Excessive Option Submission Training slideshow featured the same language used in the Provision.

61. The Policy cited FINRA Rule 2360(b)(16)(B) as the basis for the Provision.

62. FINRA Rule 2360(b)(16)(B) provides, in relevant part:

In approving a customer's account for options trading, a member or any person associated with a member shall exercise due diligence to ascertain the essential facts relative to the customer, his financial situation and investment objectives.

63. Respondent updated the Policy on August 10, 2020; this version of the Policy retained the Provision.

64. Sometime between July 29, 2021 and December 3, 2021, Respondent removed the Provision from the Policy.
65. Despite including the Provision within the Policy from July 14, 2016 until sometime between July 29, 2021 and December 3, 2021, Respondent did not enforce the Provision.
66. No agent or employee of Respondent ever specifically informed CRT members about the Provision, let alone provided them with guidance as to what constitutes a “pattern” or how to identify one.
67. Respondent never required CRT members to review the Policy, so they never had an opportunity to discover and read the Provision for themselves.
68. In July 2018, Respondent’s leadership personnel explicitly disavowed the Provision and formally decided to cease enforcing it.
69. Respondent’s computer system gives CRT members access to information about every prior options and margin application that a retail brokerage account has ever submitted.
70. Despite having the capability to view prior options and margin applications, Respondent’s review process, as communicated to CRT members, has never required CRT members to look beyond the single application in front of them.
71. Between March 17, 2020 and December 3, 2021, Respondent approved 1,266 paper options applications from retail brokerage accounts.
72. Between March 17, 2020 and June 22, 2021, the date when Respondent imposed a frequency limitation, Respondent approved 20,094 electronic options applications from retail brokerage accounts.

73. Between June 23, 2021 and December 3, 2021, Respondent approved an additional 6,017 electronic options applications from retail brokerage accounts.

C. Respondent Engaged in Unethical and Dishonest Conduct in the Securities Business by Failing to Implement Reasonable Safeguards for the Review of Retail Brokerage Customer Applications for Options and Margin Trading.

74. During the Relevant Time Period, Respondent's lack of adequate policies and procedures, combined with its failure to enforce those policies and procedures that it did have in place, resulted in CRT members frequently missing glaring inconsistencies across successive options and margin applications submitted by the same retail brokerage customers.

75. During the Relevant Time Period, Respondent repeatedly failed to ascertain necessary customer information prior to approving customers for options and/or margin trading.

i. Customer 1

76. Customer 1 is an individual who resided in Massachusetts during the Relevant Time Period.

77. Customer 1 had a retail brokerage account ending 1790 with Respondent during the Relevant Time Period.

a. First Application

78. On March 9, 2021, Customer 1 submitted an electronic application for margin trading and for options trading Level 3 for the account ending 1790 ("Customer 1's First Application").

79. On March 12, 2021, a CRT member reviewed Customer 1's First Application, denied the request for margin, and approved the account for options Level 1, a lower level than requested.

80. The CRT member who reviewed Customer 1's First Application denied the request for margin because Respondent required an annual income of \$20,000 or more and a liquid net worth of \$15,000 or more in order to qualify.

81. The CRT member who reviewed Customer 1's First Application approved the account for a lower options level than requested because Respondent required an annual income of \$50,000 or more, a net worth of \$50,000 or more, and a liquid net worth of \$50,000 or more just in order to qualify for Level 2.

b. Second Application

82. On March 18, 2021, Customer 1 submitted an electronic application for options trading Level 2 for the account ending 1790 ("Customer 1's Second Application").

83. On March 19, 2021, a CRT member reviewed Customer 1's Second Application and denied the account for an options level upgrade.

84. The CRT member who reviewed Customer 1's Second Application denied the requested options level upgrade because Respondent required an annual income of \$50,000 or more and a liquid net worth of \$50,000 or more in order to qualify for Level 2.

c. Third Application

85. On April 4, 2021, Customer 1 submitted an electronic application for options trading Level 2 for the account ending 1790 ("Customer 1's Third Application").

86. On April 4, 2021, a CRT member reviewed Customer 1's Third Application and denied the account for an options level upgrade.

87. The CRT member who reviewed Customer 1's Third Application denied the requested options level upgrade because Respondent required an annual income of \$50,000 or more and a liquid net worth of \$50,000 or more in order to qualify for Level 2.

d. Fourth Application

88. On April 5, 2021, Customer 1 submitted an electronic application for options trading Level 2 for the account ending 1790 ("Customer 1's Fourth Application").

89. On April 5, 2021, a CRT member reviewed Customer 1's Fourth Application and approved the account for Level 2.

e. Respondent's Safeguarding Failures

90. The CRT member who approved Customer 1's account for Level 2 on April 5, 2021 did not inspect Customer 1's First Application, Customer 1's Second Application, or Customer 1's Third Application prior to making that approval decision.

91. Upon information and belief, Customer 1 was a recent high school graduate who worked at an automobile oil change station at the time of submitting Customer 1's Fourth Application.

92. Respondent failed to detect, let alone investigate, Customer 1's assertion that the latter's occupation was, "Job."

93. Respondent failed to detect, let alone investigate, Customer 1's assertion that the latter's annual income increased from between \$20,001 and \$50,000 to \$100,001 or more in the span of approximately one (1) day and with no corresponding change in occupation.

94. Respondent failed to detect, let alone investigate, Customer 1's assertion that the latter's liquid net worth increased from between \$30,001 and \$50,000 to between \$100,001 and \$500,000 in the span of approximately one (1) day.

ii. Customer 2

95. Customer 2 is an individual who resided in Massachusetts during the Relevant Time Period.

96. Customer 2 had a retail brokerage account ending 6836 with Respondent during the Relevant Time Period.

a. First Application

97. On April 15, 2021, Customer 2 submitted an electronic application for margin trading and for options trading Level 3 for the account ending 6836 (“Customer 2’s First Application”).

98. On April 15, 2021, a CRT member reviewed Customer 2’s First Application, approved the request for margin, and approved the account for options Level 1, a lower level than requested.

99. The CRT member who reviewed Customer 2’s First Application approved the account for a lower options level than requested because Respondent required an annual income of \$50,000 or more just in order to qualify for Level 2.

b. Second Application

100. On April 16, 2021, Customer 2 submitted an electronic application for options trading Level 3 for the account ending 6836 (“Customer 2’s Second Application”).

101. At 1:25 PM ET on April 16, 2021, a CRT member reviewed Customer 2’s Second Application and denied the account for an options level upgrade.

102. The CRT member who reviewed Customer 2’s Second Application denied the requested options level upgrade because Respondent required an annual income of \$50,000 or more just in order to qualify for Level 2.

c. Third Application

103. On April 16, 2021, Customer 2 submitted an electronic application for options trading Level 3 for the account ending 6836 (“Customer 2’s Third Application”).

104. At 3:17 PM ET on April 16, 2021, a CRT member reviewed Customer 2’s Third Application and approved the account for Level 3.

d. Respondent’s Safeguarding Failures

105. The CRT member who approved Customer 2’s account for Level 3 at 3:17 PM ET on April 16, 2021 did not inspect Customer 2’s First Application or Customer 2’s Second Application prior to making that approval decision.

106. Respondent failed to detect, let alone investigate, Customer 2’s assertion that the latter’s annual income increased from between \$20,001 and \$50,000 to between \$50,001 and \$100,000 in the span of less than a day.

107. Respondent failed to detect, let alone investigate, Customer 2’s assertion that the latter gained three (3) years of experience trading stocks in the span of less than a day.

108. Respondent failed to detect, let alone investigate, Customer 2’s assertion that the latter gained two (2) years of experience trading bonds in the span of approximately one (1) day.

109. Respondent failed to detect, let alone investigate, Customer 2’s assertion that the latter lost two (2) years of experience trading futures.

110. Respondent failed to detect, let alone investigate, Customer 2’s assertion that the latter gained four (4) years of experience trading equity options in the span of less than a day.

111. Respondent failed to detect, let alone investigate, Customer 2's assertion that the latter gained five (5) years of experience trading index options in the span of approximately one (1) day.

iii. Customer 3

112. Customer 3 is an individual who resided in Massachusetts during the Relevant Time Period.

113. Customer 3 had a retail brokerage account ending 2750 with Respondent during the Relevant Time Period.

a. First Application

114. On April 23, 2021, Customer 3 submitted an electronic application for options trading Level 5 for the account ending 2750 ("Customer 3's First Application").

115. On April 23, 2021, a CRT member reviewed Customer 3's First Application and approved the account for Level 1, a lower level than requested.

116. The CRT member who reviewed Customer 3's First Application approved the account for a lower options level than requested because Respondent required an annual income of \$50,000 or more just in order to qualify for Level 2.

b. Second Application

117. On April 26, 2021, Customer 3 submitted an electronic application for options trading Level 3 for the account ending 2750 ("Customer 3's Second Application").

118. On April 26, 2021, a CRT member reviewed Customer 3's Second Application and denied the account for an options level upgrade.

119. The CRT member who reviewed Customer 3's Second Application denied the requested options level upgrade because Respondent required an annual income of \$50,000 or more just in order to qualify for Level 2.

c. Third Application

120. On April 30, 2021, Customer 3 submitted an electronic application for options trading Level 5 for the account ending 2750 ("Customer 3's Third Application").

121. On April 30, 2021, a CRT member reviewed Customer 3's Third Application and approved the account for Level 3, a lower level than requested.

122. The CRT member who reviewed Customer 3's Third Application approved the account for a lower options level than requested because Respondent required an annual income of \$100,000 or more and a liquid net worth of \$100,000 or more just in order to qualify for Level 4.

d. Fourth Application

123. On May 9, 2021, Customer 3 submitted an electronic application for options trading Level 4 for the account ending 2750 ("Customer 3's Fourth Application").

124. At 7:03 AM ET on May 10, 2021, a CRT member reviewed Customer 3's Fourth Application, denied the requested options level upgrade, and downgraded the account to Level 1.

125. The CRT member who reviewed Customer 3's Fourth Application denied the requested options level upgrade and downgraded the account to Level 1 because Respondent required an annual income of \$50,000 or more just in order to qualify for Level 2.

e. Fifth Application

126. On May 10, 2021, Customer 3 submitted an electronic application for options trading Level 4 for the account ending 2750 (“Customer 3’s Fifth Application”).

127. At 3:18 PM ET on May 10, 2021, a CRT member reviewed Customer 3’s Fifth Application and approved the account for Level 3, a lower level than requested, but an upgrade nonetheless.

128. The CRT member who reviewed Customer 3’s Fifth Application approved the account for Level 3, a lower options level than requested, because Respondent required an annual income of \$100,000 or more and a liquid net worth of \$100,000 or more in order to qualify for Level 4.

f. Respondent’s Safeguarding Failures

129. The CRT member who approved Customer 3’s account for Level 3 on April 30, 2021 did not inspect Customer 3’s First Application or Customer 3’s Second Application prior to making that approval decision.

130. The CRT member who approved Customer 3’s account for Level 3 at 3:18 PM ET on May 10, 2021 did not inspect Customer 3’s First Application, Customer 3’s Second Application, Customer 3’s Third Application, or Customer 3’s Fourth Application prior to making that approval decision.

131. Respondent failed to detect, let alone investigate, Customer 3’s assertion that the latter’s annual income increased from between \$20,001 and \$50,000 to between \$50,001 and \$100,000 in the span of approximately four (4) days, then decreased to between \$20,001 and \$50,000 in the span of approximately nine (9) days, and then increased to between \$50,001 and \$100,000 in the span of approximately one (1) day.

132. Respondent failed to detect, let alone investigate, Customer 3's assertion that the latter lost one (1) year of experience trading bonds.

133. Respondent failed to detect, let alone investigate, Customer 3's assertion that the latter gained two (2) years of experience trading bonds in the span of approximately thirteen (13) days.

134. Respondent failed to detect, let alone investigate, Customer 3's assertion that the latter gained two (2) years of experience trading equity options in the span of approximately fifteen (15) days.

135. Respondent failed to detect, let alone investigate, Customer 3's assertion that the latter gained two (2) years of experience trading index options in the span of approximately fifteen (15) days.

136. After Respondent approved the account ending 2750 for Level 3, Customer 3 went on to place trade orders for options in Nokia Corporation ("NOK"), one of a handful of popular stocks that have recently come to be known as "meme stocks."

137. Customer 3 used the account ending 2750 to place a purchase order for a call option on NOK stock, which settled on October 7, 2021.

138. Customer 3 used the account ending 2750 to place a purchase order for a put option on NOK stock, which settled on October 21, 2021.

139. Customer 3 used the account ending 2750 to place two purchase orders for call options on NOK stock, both of which settled on October 22, 2021.

140. Customer 3 used the account ending 2750 to place a purchase order for a put option on NOK stock, which settled on October 22, 2021.

iv. Customer 4

141. Customer 4 is an individual who resided in Massachusetts during the Relevant Time Period.

142. Customer 4 had a retail brokerage account ending 2611 with Respondent during the Relevant Time Period.

a. First Application

143. On March 10, 2021, Customer 4 submitted an electronic application for options trading Level 2 for the account ending 2611 (“Customer 4’s First Application”).

144. On March 12, 2021, a CRT member reviewed Customer 4’s First Application and approved the account for Level 1, a lower level than requested.

145. The CRT member who reviewed Customer 4’s First Application approved the account for a lower options level than requested because Respondent required a net worth of \$50,000 or more and a liquid net worth of \$50,000 or more in order to qualify for Level 2.

b. Second Application

146. On March 26, 2021, Customer 4 submitted an electronic application for options trading Level 2 for the account ending 2611 (“Customer 4’s Second Application”).

147. On March 26, 2021, a CRT member reviewed Customer 4’s Second Application and denied the account for an options level upgrade.

148. The CRT member who reviewed Customer 4’s Second Application denied the requested options level upgrade because Respondent required a net worth of \$50,000 or more and a liquid net worth of \$50,000 or more in order to qualify for Level 2.

c. Third Application

149. On March 29, 2021, Customer 4 submitted an electronic application for margin trading and for options trading Level 3 for the account ending 2611 (“Customer 4’s Third Application”).

150. At 7:18 AM ET on March 30, 2021, a CRT member reviewed Customer 4’s Third Application and denied the account for an options level upgrade.

151. The CRT member who reviewed Customer 4’s Third Application denied the requested options level upgrade because Respondent required a net worth of \$50,000 or more and a liquid net worth of \$50,000 or more just in order to qualify for Level 2.

d. Fourth Application

152. On March 30, 2021, Customer 4 submitted an electronic application for margin trading and for options trading Level 3 for the account ending 2611 (“Customer 4’s Fourth Application”).

153. At 10:15 PM ET on March 30, 2021, a CRT member reviewed Customer 4’s Fourth Application and denied the account for an options level upgrade.

154. The CRT member who reviewed Customer 4’s Fourth Application denied the requested options level upgrade because Respondent required a net worth of \$50,000 or more and a liquid net worth of \$50,000 or more just in order to qualify for Level 2.

e. Fifth Application

155. On March 31, 2021, Customer 4 submitted an electronic application for options trading Level 2 for the account ending 2611 (“Customer 4’s Fifth Application”).

156. At 2:18 PM ET on March 31, 2021, a CRT member reviewed Customer 4’s Fifth Application and denied the account for an options level upgrade.

157. The CRT member who reviewed Customer 4's Fifth Application denied the requested options level upgrade because Respondent required a net worth of \$50,000 or more and a liquid net worth of \$50,000 or more in order to qualify for Level 2.

f. Sixth Application

158. On March 31, 2021, Customer 4 submitted an electronic application for options trading Level 2 for the account ending 2611 ("Customer 4's Sixth Application").

159. At 10:59 PM ET on March 31, 2021, a CRT member reviewed Customer 4's Sixth Application and denied the account for an options level upgrade.

160. The CRT member who reviewed Customer 4's Sixth Application denied the requested options level upgrade because Respondent required a net worth of \$50,000 or more and a liquid net worth of \$50,000 or more in order to qualify for Level 2.

g. Seventh Application

161. On April 1, 2021, Customer 4 submitted an electronic application for options trading Level 2 for the account ending 2611 ("Customer 4's Seventh Application").

162. At 9:51 AM ET on April 1, 2021, a CRT member reviewed Customer 4's Seventh Application and denied the account for an options level upgrade.

163. The CRT member who reviewed Customer 4's Seventh Application denied the requested options level upgrade because Respondent required a net worth of \$50,000 or more and a liquid net worth of \$50,000 or more in order to qualify for Level 2.

h. Eighth Application

164. On April 1, 2021, Customer 4 submitted an electronic application for options trading Level 2 for the account ending 2611 ("Customer 4's Eighth Application").

165. At 12:19 PM ET on April 1, 2021, a CRT member reviewed Customer 4's Eighth Application and denied the account for an options level upgrade.

166. The CRT member who reviewed Customer 4's Eighth Application denied the requested options level upgrade because Respondent required a net worth of \$50,000 or more and a liquid net worth of \$50,000 or more in order to qualify for Level 2.

i. Ninth Application

167. On April 1, 2021, Customer 4 submitted an electronic application for options trading Level 3 for the account ending 2611 ("Customer 4's Ninth Application").

168. At 3:29 PM ET on April 1, 2021, a CRT member reviewed Customer 4's Ninth Application and denied the account for an options level upgrade.

169. The CRT member who reviewed Customer 4's Ninth Application denied the requested options level upgrade because Respondent required a net worth of \$50,000 or more and a liquid net worth of \$50,000 or more just in order to qualify for Level 2.

j. Tenth Application

170. On April 2, 2021, Customer 4 submitted an electronic application for options trading Level 3 for the account ending 2611 ("Customer 4's Tenth Application").

171. On April 2, 2021, a CRT member reviewed Customer 4's Tenth Application and denied the account for an options level upgrade.

172. The CRT member who reviewed Customer 4's Tenth Application denied the requested options level upgrade because Respondent required a net worth of \$50,000 or more and a liquid net worth of \$50,000 or more just in order to qualify for Level 2.

k. Eleventh Application

173. On April 3, 2021, Customer 4 submitted an electronic application for options trading Level 2 for the account ending 2611 (“Customer 4’s Eleventh Application”).

174. On April 3, 2021, a CRT member reviewed Customer 4’s Eleventh Application and denied the account for an options level upgrade.

175. The CRT member who reviewed Customer 4’s Eleventh Application denied the requested options level upgrade because Respondent required a net worth of \$50,000 or more and a liquid net worth of \$50,000 or more in order to qualify for Level 2.

l. Twelfth Application

176. On April 4, 2021, Customer 4 submitted an electronic application for options trading Level 3 for the account ending 2611 (“Customer 4’s Twelfth Application”).

177. On April 4, 2021, a CRT member reviewed Customer 4’s Twelfth Application and denied the account for an options level upgrade.

178. The CRT member who reviewed Customer 4’s Twelfth Application denied the requested options level upgrade because Respondent required a net worth of \$50,000 or more and a liquid net worth of \$50,000 or more just in order to qualify for Level 2.

m. Thirteenth Application

179. On April 4, 2021, Customer 4 submitted an electronic application for options trading Level 3 for the account ending 2611 (“Customer 4’s Thirteenth Application”).

180. On April 5, 2021, a CRT member reviewed Customer 4’s Thirteenth Application and approved the account for Level 2, a lower level than requested, but an upgrade nonetheless.

181. The CRT member who reviewed Customer 4's Thirteenth Application approved the account for a lower options level than requested because Respondent required a net worth of \$100,000 or more in order to qualify for Level 3.

n. Respondent's Safeguarding Failures

182. Respondent allowed Customer 4's account ending 2611 to submit thirteen (13) electronic options applications in the span of less than a month, eleven (11) of which the account submitted in the span of less than a week.

183. Respondent allowed Customer 4's account ending 2611 to submit one (1) or more electronic options applications per day for seven (7) days in a row.

184. The CRT member who approved Customer 4's account for Level 2 on April 5, 2021 did not inspect Customer 4's First Application, Customer 4's Second Application, Customer 4's Third Application, Customer 4's Fourth Application, Customer 4's Fifth Application, Customer 4's Sixth Application, Customer 4's Seventh Application, Customer 4's Eighth Application, Customer 4's Ninth Application, Customer 4's Tenth Application, Customer 4's Eleventh Application, or Customer 4's Twelfth Application prior to making that approval decision.

185. Respondent failed to detect, let alone investigate, Customer 4's assertion that the latter's job title changed from "Scientist" to "CEO" less than a day after Respondent denied the account ending 2611 for an options level upgrade.

186. Respondent failed to detect, let alone investigate, Customer 4's assertion that the latter gained, and also lost, years of experience trading stocks in the span of approximately twenty-five (25) days.

187. Respondent failed to detect, let alone investigate, Customer 4's assertion that the latter gained, and also lost, years of experience trading bonds in the span of approximately twenty-five (25) days.

188. Respondent failed to detect, let alone investigate, Customer 4's assertion that the latter gained, and also lost, years of experience trading futures in the span of approximately twenty-five (25) days.

189. Respondent failed to detect, let alone investigate, Customer 4's assertion that the latter gained, and also lost, years of experience trading equity options in the span of approximately twenty-five (25) days.

190. Respondent failed to detect, let alone investigate, Customer 4's assertion that the latter gained, and also lost, years of experience trading index options in the span of approximately twenty-five (25) days.

191. After Respondent approved the account ending 2611 for Level 2, Customer 4 went on to place trade orders for options in several meme stocks.

192. Customer 4 used the account ending 2611 to place a purchase order for a call option on BlackBerry Limited ("BB") stock, which settled on June 2, 2021.

193. Customer 4 used the account ending 2611 to place a purchase order for a put option on AMC Entertainment Holdings, Inc. ("AMC") stock, which settled on June 3, 2021.

194. Customer 4 used the account ending 2611 to place a purchase order for a call option on NOK stock, which settled on June 4, 2021.

195. Customer 4 used the account ending 2611 to place a purchase order for a call option on BB stock, which settled on June 15, 2021.

D. Contrary to Its President’s Attestations, Respondent Failed to Implement Policies Designed to Ensure that Its Retail Brokerage Account Customers Met the Applicable Minimum Equity Requirement Prior to Being Approved for Margin Trading.

i. FINRA Rule 3130 Certifications

196. On March 28, 2020, and pursuant to FINRA Rule 3130, Respondent’s President signed a certification form stating that Respondent had in place processes to:

A) establish, maintain and review policies and procedures reasonably designed to achieve compliance with applicable FINRA rules, [Municipal Securities Rulemaking Board (“MSRB”)] [r]ules and federal securities laws and regulations;

B) modify such policies and procedures as business, regulatory and legislative changes and events dictate; and

C) *test the effectiveness of such policies and procedures on a periodic basis*, the timing and extent of which is reasonably designed to ensure continuing compliance with FINRA rules, MSRB rules and federal securities laws and regulations.

(Emphasis added).

197. Given Respondent’s failure to enforce the Provision, Respondent’s testing of the effectiveness of its policies and procedures was clearly inadequate.

198. On March 28, 2021, Respondent’s President again signed a FINRA Rule 3130 certification form attesting to the adequacy of the firm’s compliance structure; this certification form featured language identical to that of the March 28, 2020 certification form.

ii. FINRA Rule 4210 Margin Requirements

199. FINRA Rule 4210(b) states that member firms must require customers to deposit a certain minimum dollar amount, in the form of cash and/or securities, in a brokerage account before the firm will grant margin trading approval.

200. FINRA Rule 4210(b)(4) sets the initial minimum equity requirement at \$25,000 for any customer who meets the rule's definition of a "pattern day trader."

201. FINRA Rule 4210(f)(8)(B)(ii) defines a "pattern day trader" as:

[A]ny customer who executes four or more day trades within five business days. However, if the number of day trades is 6 percent or less of total trades for the five business day period, the customer will not be considered a pattern day trader

202. Respondent's written Margin Account Approval policy, as it existed during the Relevant Time Period, included no mention of pattern day traders.

203. Respondent's written Margin Account Approval policy, as it existed during the Relevant Time Period, did not require CRT members to determine whether a retail brokerage account met the applicable FINRA Rule 4210 minimum equity requirement prior to approving that customer for margin trading.

204. Respondent has never instructed CRT members, either through training materials or verbal directions from supervisors, to assess whether a retail brokerage customer qualified as a pattern day trader prior to approving that customer for margin trading.

205. Respondent has never instructed CRT members, either through training materials or verbal directions from supervisors, to determine whether a retail brokerage account met the applicable FINRA Rule 4210 minimum equity requirement prior to approving that customer for margin trading.

E. Respondent's Options and Margin Compliance Policies and Procedures Continue to Lack Reasonable Safeguards.

206. As of the date of this Complaint, Respondent still allows a retail brokerage account that has been denied for options trading to reapply that very same day, just so long as the

subsequent application would not be the third application that the account has submitted within the prior sixty (60) days.

207. As of the date of this Complaint, Respondent does not limit how frequently a retail brokerage account may submit paper options applications.

208. As of the date of this Complaint, Respondent does not limit how frequently a retail brokerage account may submit electronic margin applications.

209. As of the date of this Complaint, Respondent does not limit how frequently a retail brokerage account may submit paper margin applications.

210. As of the date of this Complaint, Respondent does not require CRT members to review existing customer data on file or prior applications before approving a retail brokerage account for options and/or margin trading.

VII. VIOLATIONS OF LAW

Count I - Mass. Gen. Laws c. 110A, § 204(a)(2)(G)

211. Section 204 of the Act provides:

The [S]ecretary may by order impose an administrative fine or censure or deny, suspend, or revoke any registration or take any other appropriate action if he finds (1) that the order is in the public interest and (2) that the . . . registrant . . . :—

. . . .

(G) has engaged in any unethical or dishonest conduct or practices in the securities . . . business

Mass. Gen. Laws c. 110A, § 204(a)(2)(G).

212. The Enforcement Section restates and incorporates the allegations of fact set forth in Sections IV through VI, inclusive, above.

213. Respondent's acts and practices, as described above, constitute multiple violations of Section 204(a)(2)(G) of the Act.

Count II - Mass. Gen. Laws c. 110A, § 204(a)(2)(J)

214. Section 204 of the Act provides:

The [S]ecretary may by order deny, suspend, or revoke any registration if he finds (1) that the order is in the public interest and (2) that the . . . registrant

(J) has failed reasonably to supervise agents, investment adviser representatives or other employees to assure compliance with [the Act] . . .

Id. § 204(a)(2)(J).

215. Section 12.203 of the Regulations provides:

Each broker-dealer [registered with the Division] must comply with the supervision requirements set forth in the FINRA member conduct rules.

950 Code Mass. Regs. 12.203(3)(a).

216. The Enforcement Section restates and incorporates the allegations of fact set forth in Sections IV through VI, inclusive, above.

217. Respondent's acts and practices, as described above, constitute multiple violations of Section 204(a)(2)(J) of the Act.

VIII. STATUTORY BASIS FOR RELIEF

Section 407A of the Act provides:

If the [S]ecretary determines, after notice and opportunity for hearing, that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of [the Act] or any rule or order issued thereunder, he may order such person to cease and desist from such unlawful act or practice and may take such affirmative action, including the imposition of an administrative fine, the issuance of an order for an accounting, disgorgement or rescission or any other such relief as in his judgment may be necessary to carry out the purposes of [the Act].

Mass. Gen. Laws c. 110A, § 407A(a).

IX. PUBLIC INTEREST

For any and all of the reasons set forth above, it is in the public interest and will protect Massachusetts investors for the Director of the Division to enter an order finding that the relief requested below is “necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of [the Act].” *Id.* § 412(b).

X. RELIEF REQUESTED

The Enforcement Section requests that an order be entered:

- A. Finding as fact all allegations set forth in Sections IV through VI, inclusive, of this Complaint;
- B. Concluding that Respondent violated the Act and the Regulations as alleged in Section VII of this Complaint;
- C. Finding that all of the sanctions and remedies requested herein are in the public interest and necessary for the protection of Massachusetts investors;
- D. Requiring Respondent to permanently cease and desist from further conduct in violation of the Act and the Regulations;
- E. Censuring Respondent;
- F. Requiring Respondent to retain an independent compliance consultant to review Respondent’s relevant written supervisory policies and make appropriate recommendations for revisions;
- G. Imposing an administrative fine upon Respondent in an amount and upon such terms and conditions as the Presiding Officer may determine; and

H. Taking any such further action which may be necessary or appropriate in the public interest and for the protection of Massachusetts investors.

**MASSACHUSETTS SECURITIES DIVISION
ENFORCEMENT SECTION**

By and through its attorneys,

Maxwell T. Robidoux, Esq.

Maxwell T. Robidoux, Esq.
Patrick M. Costello, Chief of Enforcement
Anthony R. Leone, Deputy Director
Securities Division
Office of the Secretary of the Commonwealth
John W. McCormack Building, 17th Floor
One Ashburton Place
Boston, MA 02108
tel. (617) 727-3548
fax. (617) 248-0177

Dated: January 26, 2022