

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Craig G. Langweiler (CRD No. 841897),

Respondent.

DISCIPLINARY PROCEEDING
No. 2011029549201

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between March 2008 and July 2013, while registered with FINRA through various member firms, respondent Craig Langweiler willfully failed to amend his Uniform Application for Securities Industry Registration or Transfer ("Form U4") to timely disclose three federal tax liens, totaling approximately \$143,000, and three civil judgments, totaling approximately \$56,700, that had been filed against him.
2. In addition, in October 2011, Langweiler provided inaccurate and incomplete responses regarding liens and judgments to his employer in a background questionnaire and, in July 2014, Langweiler provided inaccurate and incomplete responses regarding liens and judgments to FINRA in a personal activity questionnaire.
3. This conduct violated: (i) Article V, Section 2(c) of the FINRA By-Laws; (ii) NASD Interpretive Material ("IM") 1001-1 (for the conduct on or before August 16, 2009)

and FINRA Rule 1122 (for the conduct on or after August 17, 2009); and (iii) NASD Conduct Rule 2110 (for the conduct on or before December 14, 2008) and FINRA Rule 2010 (for the conduct on or after December 15, 2008).

RESPONDENT AND JURISDICTION

4. In September 1977, Langweiler first became registered as a General Securities Representative with FINRA's predecessor. Since that time, he has remained registered with FINRA as a General Securities Representative through his association with nine different member firms. From September 2007 through September 2008, Langweiler was registered through Saxony Securities, Inc. (CRD No. 115547) ("Saxony"). From October 2008 through October 2011, Langweiler was registered through Summit Brokerage Services, Inc. (CRD No. 34643) ("Summit"), and, from October 2011 to the present, Langweiler has been registered through Meyers Associates, L.P. (CRD No. 34171) ("Meyers"). Langweiler is currently registered with Meyers.
5. In light of his current registration with a FINRA member firm, Langweiler is subject to FINRA jurisdiction pursuant to Article V of FINRA's By-Laws.

FIRST CAUSE OF ACTION

Willful Failure to Timely Amend Form U4 to Disclose Material Information (Article V, Section 2(c) of the FINRA By-Laws, NASD IM-1000-1, NASD Conduct Rule 2110, and FINRA Rules 1122 and 2010)

6. The Department realleges and incorporates by reference paragraphs 1 through 5 above.
7. Article V, Section 2(c) of the FINRA By-Laws requires that registrations filed with FINRA be kept current at all times and that amendments must be filed with FINRA

“not later than 30 days after learning of the facts or circumstances giving rise to the amendment.”

8. NASD IM-1000-1 provided, “The filing with the Association of information with respect to membership or registration as a Registered Representative which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or the failure to correct such filing after notice thereof, may be deemed to be conduct inconsistent with just and equitable principles of trade and when discovered may be sufficient cause for appropriate disciplinary action.”
9. FINRA Rule 1122, which superseded NASD IM-1000-1 effective August 17, 2009, provides, “No member or person associated with a member shall file with FINRA information with respect to membership or registration which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof.”
10. NASD Conduct Rule 2110 required the observance of high standards of commercial honor and just and equitable principles of trade.
11. FINRA Rule 2010, which superseded NASD Conduct Rule 2110 effective December 15, 2008, requires the observance of high standards of commercial honor and just and equitable principles of trade.
12. At all times relevant to this Complaint, Question 14M of the Form U4 asked: “Do you have any unsatisfied judgments or liens against you?” If the answer is yes, the registered person is required to provide details about the judgment or lien.

13. On or about March 24, 2008, Adamark of New Jersey obtained a judgment against Langweiler in the amount of \$7,722. Langweiler received notice of the judgment by mail in 2008.
14. On or about September 13, 2011, the IRS recorded a tax lien against Langweiler in the amount of \$40,204. Langweiler received notice from the IRS of this lien before the fourth quarter of 2011 and thereafter retained an accountant to negotiate with the IRS.
15. On or about January 31, 2012, Fleetway Leasing obtained a judgment against Langweiler in the amount of \$38,105. Langweiler received notice of the judgment no later than February 2012.
16. On or about January 14, 2013, the IRS recorded a tax lien against Langweiler in the amount of \$25,587. Langweiler received notice of this lien no later than November 2013, when a garnishment order was sent to his firm and shared with him.
17. On or about March 4, 2013, Langweiler's landlord, EK, obtained a judgment against Langweiler in the amount of \$10,942. Langweiler received notice of this judgment in March 2013.
18. On or about July 22, 2013, the IRS recorded a tax lien against Langweiler in the amount of \$77,290. Langweiler received notice of this lien no later than August 2013.
19. On June 5, 2012, FINRA Staff questioned Langweiler during on-the-record testimony about (a) the Adamark of New Jersey judgment in the amount of \$7,722; (b) the \$40,204 IRS tax lien; and (c) the Fleetway Leasing judgment in the amount of

\$38,105. More than two months later, on August 8, 2012, Langweiler amended his Form U4 to belatedly disclose these items.

20. Langweiler did not update his Form U4 to report (a) the \$25,587 IRS tax lien; (b) the \$10,942 judgment against him obtained by EK; or (c) the \$77,290 IRS tax lien until August 14, 2014.

21. As of the filing of this Complaint, all of the above-described liens and judgments remained unsatisfied.

22. The liens and judgment described above constitute material information that Langweiler was obligated to disclose promptly on his Form U4.

23. By willfully failing to timely amend his Form U4 to disclose these liens and judgments, Langweiler violated Article V, Section 2(c) of FINRA's By-Laws, NASD IM-1000-1 (for the conduct on or before August 16, 2009), FINRA Rule 1122 (for the conduct on or after August 17, 2009), NASD Conduct Rule 2110 (for the conduct on or before December 14, 2008), and FINRA Rule 2010 (for the conduct on or after December 15, 2008).

SECOND CAUSE OF ACTION

False Attestations Regarding Liens and Judgments (FINRA Rule 2010)

24. The Department realleges and incorporates by reference paragraphs 1 through 23 above.

25. In October 2011, upon commencing his employment with Myers, Langweiler completed and signed a Background Questionnaire that asked, "Do you have any unsatisfied judgments or liens against you?" Langweiler circled "NO."

26. This answer was false. At the time Langweiler completed the Questionnaire, he was aware of the March 2008 Adamark of New Jersey judgment for \$7,722 and the \$40,204 federal tax lien that the IRS had recorded against him in September 2011.
27. Additionally, in July 2014, Langweiler signed a FINRA Personal Activity Questionnaire (“PAQ”), which was subsequently provided to FINRA staff. By signing the document, Langweiler attested that the information he provided was “accurate and truthful.”
28. Question 21 of the PAQ asked, “Do you have any unsatisfied liens or judgments against you?” and further asked Langweiler to provide “detail as to each.” In response, Langweiler disclosed only one federal tax lien and the Fleetway judgment, but omitted two federal tax liens, the Adamark judgment for \$7,722, and the \$10,942 judgment in favor of his landlord.
29. By reason of the foregoing, Langweiler violated FINRA Rule 2010.

RELIEF REQUESTED


WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Langweiler committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed;
- C. order that Langweiler bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330; and

- D. make specific findings that Langweiler's conduct as alleged in the First Cause of Action was willful; the omitted information was material; and the omission to state material facts was on a Form U4.

FINRA DEPARTMENT OF ENFORCEMENT

Date: December 15, 2015



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