



News Release

FINRA Sanctions 10 Former Global Arena Representatives as a Result of FINRA Crackdown on Broker Migration

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WASHINGTON — The Financial Industry Regulatory Authority (FINRA) announced today that as a result of a 2014 onsite exam, it found securities violations including various misleading sales pitches, customer account churning and other business misconduct at Global Arena Capital Corp. It has barred seven former registered representatives from the securities industry, suspended an eighth person whose bar will become effective in October, and barred two former branch managers from serving in a principal capacity. The actions are a result of FINRA's continued focus on tracking groups of brokers that move from one risky firm to another. Seven of the 10 individuals had moved from HFP Capital Markets LLC—a problem firm that FINRA later expelled—to Global Arena Capital Corp. Global Arena opened a branch office in October 2013 to register a number of brokers who had been discharged by HFP. Like HFP, the branch office's business model involved cold-calling customers, including seniors, to make solicited recommendations of securities.

Susan Axelrod, FINRA's Executive Vice President, Regulatory Operations, said, "FINRA carefully monitors broker migration particularly with respect to brokers that move in groups from an expelled or high-risk firm to other securities firms, based on a variety of risk factors. FINRA will continue to leverage this data to expedite sales practice examinations and enforcement investigations to rid the industry of individuals who prey on vulnerable investors."

FINRA employed a risk-based approach to identify certain brokers who had moved from HFP to Global Arena and were then subject to heightened regulatory scrutiny during a 2014 exam. During the onsite audit and subsequent investigation, FINRA found that certain Global Arena representatives engaged in securities fraud by, among other things, using misleading sales pitches and high pressure sales tactics to make sales of junk bonds and other securities to customers. Brokers at the firm also churned existing customer accounts by recommending frequent trades and made unsuitable recommendations.

In the actions announced today, FINRA barred the former President of Global Arena Capital Corp., Barbara Desiderio, and five former representatives (David Awad, a.k.a. "David Bennett," James Torres, Peter Snetzko, Alex Wildermuth, and Michael Tannen) in all capacities; barred two former principals of the firm (Kevin Hagan and Richard Bohack) in a principal capacity for supervisory failures; and sanctioned two former representatives (Niaz Elmazi, a.k.a. "Nick Morrissey" and Andrew Marzec) for failing to cooperate with FINRA's investigation. One of these individuals was barred in August 2015 and the other individual's bar becomes effective in October 2015. FINRA cancelled Global Arena's membership in July 2015, and the firm's de facto owner and three other former Global Arena brokers had been barred for fraud in a separate FINRA action related to HFP in July 2015.

In settling the actions, the respondents neither admitted nor denied the charges, but consented to the entry of FINRA's findings. The two individuals sanctioned for non-cooperation were sanctioned pursuant to a summary

proceeding and not pursuant to settlement, and thus they did not consent to entry of any FINRA findings.

Investors can obtain more information about, and the disciplinary record of, any FINRA-registered broker or brokerage firm by using FINRA's BrokerCheck. FINRA makes BrokerCheck available at no charge. In 2014, members of the public used this service to conduct 18.9 million reviews of broker or firm records. Investors can access BrokerCheck at www.finra.org/brokercheck or by calling (800) 289-9999. Investors may find copies of this disciplinary action as well as other disciplinary documents in [FINRA's Disciplinary Actions Online database](#).

FINRA, the Financial Industry Regulatory Authority, is the largest independent regulator for all securities firms doing business in the United States. FINRA is dedicated to investor protection and market integrity through effective and efficient regulation and complementary compliance and technology-based services. FINRA touches virtually every aspect of the securities business - from registering and educating all industry participants to examining securities firms, writing rules, enforcing those rules and the federal securities laws, and informing and educating the investing public. In addition, FINRA provides surveillance and other regulatory services for equities and options markets, as well as trade reporting and other industry utilities. FINRA also administers the largest dispute resolution forum for investors and firms. For more information, please visit www.finra.org.

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