

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

Department of Enforcement,

Complainant,

v.

Steven Robert Luftschein
(CRD No. 2690117),

Respondent.

Disciplinary Proceeding
No. 2016051704303

Hearing Officer—DDM

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: January 13, 2021

INTRODUCTION

Disciplinary Proceeding No. 2016051704303 was filed on May 13, 2020, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA or Complainant). Respondent Steven Robert Luftschein submitted an Offer of Settlement (Offer) to Complainant dated January 8, 2021. 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

Steven Luftschein, also known as Steven Lerner, entered the securities industry in 1995. He was associated with nine different broker-dealers before joining Aegis in June 2013.

From June 2013 through early October 2016, Luftschein was associated with Aegis Capital Corp. as a General Securities Representative (GSR) and worked in the Firm's Melville, New York branch.

Luftschein was registered with another FINRA-regulated broker-dealer as a GSR from May 2017 to May 2018.

Although Luftschein is no longer registered or associated with a FINRA member firm, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws because: (i) the Complaint was filed within two years after May 21, 2018, which was the effective date of termination of Luftschein's registration with his most recent FINRA-regulated broker-dealer employer, and (ii) the Complaint charges Luftschein with misconduct committed while he was registered or associated with a FINRA member firm.

FINDINGS AND CONCLUSIONS

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

Summary

Respondent Steven Robert Luftschein, while associated with Aegis Capital Corp. (Aegis or the Firm), a FINRA-regulated broker-dealer, churned and excessively traded the accounts of three of his Firm customers, Customers A, B and C (collectively, the Customers), from July 2014

through June 2016 (the Relevant Period). During this period, Luftschein executed approximately 430 trades in the Customers' accounts — resulting in annualized turnover rates ranging from 12.5 to 96.3 and annualized cost-to-equity ratios (or break even points) ranging from 35.6% to 123.8%. Luftschein's churning and excessive trading was unsuitable and caused combined losses of more than \$261,000 in the Customers' accounts. At the same time, Luftschein's trading in the Customers' accounts generated gross sales credits and commissions of approximately \$136,200, with Luftschein receiving a substantial percentage of this amount. By churning and excessively trading the Customers' accounts, Luftschein willfully violated Section 10(b) of the Securities Exchange Act of 1934 (the Exchange Act) and Rule 10b-5 thereunder, and also violated FINRA Rules 2111, 2020 and 2010.

Also during the Relevant Period, Luftschein executed 88 trades with a total principal value of approximately \$3.1 million in the three Customers' accounts without the Customers' prior authorization. By engaging in unauthorized trading in the Customers' accounts, Luftschein violated FINRA Rule 2010.

Facts

A. Luftschein's Control of Trading in the Customers' Accounts

During the Relevant Period, Luftschein controlled the trading in Firm accounts held by Customer A, Customer B and Customer C. Luftschein made the investment decisions and controlled the volume and frequency of trading in each of the customer's accounts.

None of the Customers' accounts were listed on Aegis's books and records as a discretionary account. The Customers never gave Luftschein discretionary trading authority.

Luftschein, however, frequently engaged in unauthorized trading by making purchases and sales of securities without first discussing the transactions with the Customers and obtaining their authorization.

To conceal the high costs of his trading in the Customers' accounts, Luftschein made the vast majority of his trades on a riskless principal basis, even though these purchases and sales could have been made on an agency basis with a commission.

For all trades made by Luftschein on a riskless principal basis, the total costs for the trades were not reported as commissions on the trade confirmations the Customers received from the Firm. Instead, the trade confirmations reported the "postage fee" charged by Aegis and the per-share markup or markdown with no indication of the total costs associated with each transaction.

Significantly, these "hidden" markups and markdowns represented approximately 79 % of the total trading costs incurred by the Customers.

Luftschein never discussed with the Customers when specific trades were being made on a riskless principal basis, and never disclosed the total costs of his trading in their accounts.

Luftschein earned substantial revenues from his improper trading in the Customers' accounts.

B. Customer A

Customer A, a Belgian citizen and resident, was an engineer and businessman when he first opened an account with Luftschein and Luftschein's partner while they were employed by a prior member-firm.

In August 2014, after Luftschein and his partner moved to Aegis, Customer A, then 76 years old and retired, opened an account at Aegis. Customer A's investment objective on his

new account form was recorded as “aggressive growth/aggressive income,” and his risk level profile was recorded as “high risk.”

Although Luftschein’s partner was named on the Firm’s books as the broker of record for Customer A’s Firm account, in fact, Luftschein served as the registered representative for Customer A’s account, and placed the trades and controlled the trading in Customer A’s account from the opening of the account in August 2014 through January 2016.

Customer A initially funded his Aegis account by transferring 6,000 shares of securities valued at \$121,800 on August 29, 2014, the date of the transfer.

Luftschein commenced trading in Customer A’s account in September 2014 when the total account value at the beginning of the month was \$124,260.

By the end of January 2016, Customer A’s account at Aegis had a value of less than \$14,000, and Luftschein ceased trading in the account.

From September 2014 through January 2016, Luftschein executed 87 securities transactions in Customer A’s account, which resulted in an annualized turnover rate of 12.5 and an annualized cost-to-equity ratio of 36.5% for the period from August 2014 (the month the account was opened) to January 2016.

While the average month-end value of Customer A’s account from September 2014 through January 2016 was approximately \$77,000, Luftschein’s gross purchases and sales of securities in Customer A’s account for the same period totaled approximately \$2.86 million.

From late February 2015 to mid-November 2015, Luftschein executed 44 transactions with an approximate value of \$1.66 million in Customer A’s account without Customer A’s prior knowledge or authorization.

Luftschein's churning and excessive trading in Customer A's account during the period of August 2014 through January 2016 generated total trading costs of \$42,004, including markups and markdowns totaling \$35,444 and commissions of \$905.

Luftschein's trading in Customer A's account caused account losses of approximately \$93,100.

Following Luftschein's trading, as of January 31, 2016, Customer A's account balance was \$13,390.72, consisting of \$20,717.50 in securities and a -\$7,326.78 cash balance due to the use of margin. Customer A did not authorize the use of margin.

C. Customer B

Like Customer A, Customer B first became a brokerage firm customer of Luftschein and his partner while they were employed at a prior firm. At that time, and throughout the Relevant Period, Customer B was disabled from a severe job-related accident and injuries suffered in connection with a surgical procedure following that accident.

Customer B used the proceeds of a medical malpractice settlement to fund his account with Luftschein and his partner at their prior firm. Luftschein was aware that, at all times, Customer B's account was funded with irreplaceable assets obtained from that medical malpractice settlement.

In April 2014, after Luftschein and his partner moved to Aegis, Customer B opened an account at Aegis. Although Customer B told Luftschein that the money invested in his Aegis account was irreplaceable, Customer B's investment objective was incorrectly recorded on his new account form at Aegis as "speculation," and his risk level profile was incorrectly listed as "maximum risk."

Although Luftschein and his partner were named jointly as the brokers of record for Customer B's account, in fact, Luftschein acted as Customer B's registered representative at Aegis, and placed the trades and controlled the trading in Customer B's account from the opening of the account in April 2014 through June 2016.

Customer B funded his Firm account with a cash deposit of \$50,000 in April 2014. In May 2014, Customer B deposited an additional \$195,000 in cash in his account. Customer B made no additional deposits after May 2014.

Luftschein churned and excessively traded Customer B's account beginning in July 2014, when the account had a value of \$229,395 at the start of that month.

By the end of June 2016, Customer B's account had a value of less than \$50, and Luftschein ceased trading in the account.

From July 2014 through June 2016, Luftschein executed 256 securities transactions in Customer B's account, which resulted in an annualized turnover rate of 96.3 and an annualized cost-to-equity ratio of 123.8%.

While the average month-end value of Customer B's account from July 2014 through June 2016 was approximately \$37,500, Luftschein's gross purchases and sales of securities in Customer B's account for the same period totaled approximately \$14.5 million.

From January 2015 to May 2015, Luftschein executed 27 transactions with an approximate value of \$822,400 in Customer B's account without Customer B's prior knowledge or authorization.

Luftschein's churning and excessive trading in Customer B's account during the period of July 2014 through June 2016 generated total trading costs of \$92,826, including markups and markdowns totaling \$72,878 and commissions of \$5,375.

Luftschein's trading in Customer B's account caused account losses of approximately \$165,600.

D. Customer C

Customer C has owned and operated a roofing business in Upstate New York for many years. Like Customers A and B, Customer C was a customer of Luftschein and his partner prior to Aegis. In May 2014, after Luftschein and his partner moved to Aegis, Customer C – then 59 years old – opened an account at Aegis. Customer C's investment objective on his new account form at Aegis was incorrectly listed as "speculation," and Customer C's risk level profile was incorrectly listed as "high risk."

Although Luftschein's partner was named on the Firm's books as the broker of record for Customer C's Firm account from May 2014 through May 2016, in fact Luftschein served as the registered representative for Customer C's account, and placed the trades and controlled the trading in Customer C's account, from the opening of the account in May 2014 through June 2016.

Customer C funded his Aegis account with a cash deposit of \$25,500 in June 2014. Customer C made additional deposits totaling \$90,100: \$82,500 in the second half of 2014 and \$7,600 in February 2016.

Luftschein churned and excessively traded Customer C's account commencing in December 2014, when Customer C's account had an account value of \$25,982 at the start of that month and, following a \$25,000 deposit on December 18, 2014, had a value of \$47,967 on December 31, 2014.

From December 2014 through June 2016, Luftschein executed 87 securities transactions in Customer C's account, which resulted in an annualized turnover rate of 20.3 and an

annualized cost-to-equity ratio of 35.6%. From December 2014 through May 2015, the six-month period of the most frequent trading in the account, the annualized turnover rate in Customer C's account was 53.6, and the annualized cost-to-equity ratio was 94.7%.

While the average month-end value of Customer C's account from December 2014 through June 2016 was approximately \$46,950, Luftschein's gross purchases and sales of securities in Customer C's account for the same period totaled approximately \$2.9 million.

From January 2015 to March 2015, Luftschein executed 17 transactions with an approximate value of \$603,500 in Customer C's account without Customer C's prior knowledge or authorization.

Luftschein's churning and excessive trading in Customer C's account during the period of December 2014 through June 2016 generated total trading costs of \$26,445, including markups and markdowns totaling \$19,373 and commissions of \$2,225.

Luftschein's trading in Customer C's account from December 2014 through June 2016 caused account losses of approximately \$2,370.

Luftschein's Churning of Customer Accounts

Section 10(b) of the Exchange Act, Rule 10b-5, and FINRA Rule 2020 are anti-fraud rules. They prohibit associated persons from using manipulative, deceptive or other fraudulent devices or contrivances in connection with the purchase or sale of any security (Rule 10b-5) or to induce the purchase or sale of any security (FINRA Rule 2020).

FINRA Rule 2010 requires an associated person to "observe high standards of commercial honor and just and equitable principles of trade."

Churning is a manipulative and deceptive device that violates Section 10(b) of the Exchange Act, Rule 10b-5, and FINRA Rules 2020 and 2010. Churning is fraudulent conduct

that occurs in a broker-customer relationship when (i) a broker controls his customer's account; (ii) the trading in the account is excessive in light of the customer's investment objectives; and (iii) the broker acts with scienter, *i.e.*, with intent to defraud or with reckless disregard of the customer's interests.

During the Relevant Period, Luftschein controlled the trading in the accounts of Customers A, B and C. Luftschein controlled the volume and frequency of trading in these accounts, deciding what securities to buy and sell, the quantities, the price, and when each transaction would occur. Luftschein also frequently made unauthorized trades in these accounts.

Luftschein's trading in these accounts was excessive and quantitatively unsuitable for each of these customers, as evidenced by the high annualized turnover rates and cost-to-equity ratios, the size and frequency of the transactions, the transaction costs incurred and the customers' investment objectives and needs. Luftschein's trading in the Customers' accounts resulted in annualized turnover rates ranging from 12.5 to 96.3 and annualized cost-to-equity ratios (or break-even points) ranging from 35.6% to 123.8%.

Luftschein acted with scienter. In churning these customers' accounts, Luftschein acted with an intent to defraud or, at the very least, with reckless disregard of his customers' interests, seeking to maximize his own remuneration in disregard of the interests of his customers. Luftschein deliberately incurred unreasonably high trading costs in these customers' accounts, which made it virtually impossible for the accounts to be profitable. Indeed, Luftschein's trading in these customers' accounts caused more than \$261,000 in losses, while Luftschein received substantial income from trading the accounts. Luftschein also masked the true costs of his trading from customers by placing a high percentage of the trades as riskless principal trades.

Luftschein's fraudulent acts were carried out by the use or means of the instrumentalities of interstate commerce and through the U.S. mail, and involved securities transactions on national securities exchanges.

As a result of the foregoing conduct, Luftschein willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and violated FINRA Rules 2020 and 2010.

Luftschein's Excessive and Quantitatively Unsuitable Trading

FINRA Rule 2111 requires, among other things, an associated person "who has actual or de facto control over a customer account to have a reasonable basis for believing that a series of recommended transactions, even if suitable when viewed in isolation, are not excessive and unsuitable for the customer when taken together" in light of the customer's investment profile.

Excessive trading occurs, and is unsuitable, when a registered representative has actual or *de facto* control over trading in a customer's account and the level of activity in that account is inconsistent with the customer's investment needs and objectives.

A violation of FINRA Rule 2111 also constitutes a violation of FINRA Rule 2010.

During the Relevant Period, Luftschein exercised control over the accounts of Customers A, B and C. Luftschein controlled the volume and frequency of trading in these accounts, deciding what securities to buy and sell, the quantities, the price, and when each transaction would occur. Luftschein also frequently made unauthorized trades in these accounts.

Luftschein's trading in the Customers' accounts was excessive and quantitatively unsuitable for each of these customers, as evidenced by the high annualized turnover rates and cost-to-equity ratios, the size and frequency of the transactions, the transaction costs incurred and the customers' investment objectives and needs. Luftschein's trading in the accounts resulted in

annualized turnover rates ranging from 12.5 to 96.3 and annualized cost-to-equity ratios (or break-even points) ranging from 35.6% to 123.8%.

Luftschein did not have a reasonable basis to believe that his trading in the accounts of Customers A, B and C during the Relevant Period was suitable.

As a result of the foregoing conduct, Luftschein violated FINRA Rules 2111 and 2010.

Luftschein's Unauthorized Trading

Unauthorized trading occurs when a registered representative effects trades in a customer's account without first obtaining the customer's authorization or consent.

Unauthorized trading is a breach of the duty to observe high standards of commercial honor and just and equitable principles of trade and, thus, a violation of FINRA Rule 2010.

Luftschein effected 88 trades in the accounts of Customers A, B and C during the Relevant Period without first discussing with, and obtaining authorization for the trades from, the Customers. Luftschein's unauthorized trades in the Customers' accounts are detailed in Exhibit A, a copy of which is annexed hereto and incorporated herein by reference.

By effecting 88 trades in the accounts of Customers A, B and C without the Customers' prior authorization or consent, Luftschein engaged in unauthorized trading and conduct that was inconsistent with high standards of commercial honor and just and equitable principles of trade in violation of FINRA Rule 2010.

Based on the foregoing, by churning the accounts of Customer A, Customer B and Customer C, Luftschein willfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, and also violated FINRA Rules 2020 and 2010. By excessively trading the accounts of Customer A, Customer B and Customer C, Luftschein

violated FINRA Rules 2111 and 2010. By engaging in unauthorized trading in the accounts of Customer A, Customer B and Customer C, Luftschein violated FINRA Rule 2010.

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 Steven Robert Luftschein is barred from associating with any FINRA member firm in any capacity.

The sanctions imposed herein shall be effective on a date set by FINRA staff. A bar or expulsion shall become effective upon approval or acceptance of this Order.

SO ORDERED.

FINRA

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



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EXHIBIT A

Unauthorized Trades in the Account of Customer A

Date	Total Net Bought	Total Net Sold	Total Comm / SC	B/S	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comm / SC
02/24/15	\$87,759	\$0	\$2,000					
02/24/15				B	NXPI	\$87,759	\$0	\$2,000
02/27/15	\$0	\$89,894	\$0					
02/27/15				S	EVOK	\$0	\$5,351	\$0
02/27/15				S	NXPI	\$0	\$84,543	\$0
03/20/15	\$17,924	\$18,111	\$850					
03/20/15				B	FB	\$17,924	\$0	\$574
03/20/15				S	GE	\$0	\$18,111	\$276
03/26/15	\$85,450	\$0	\$1,000					
03/26/15				B	BABA	\$85,450	\$0	\$1,000
04/01/15	\$0	\$82,849	\$0					
04/01/15				S	BABA	\$0	\$82,849	\$0
04/14/15	\$14,167	\$12,363	\$478					
04/14/15				B	BBG	\$14,167	\$0	\$403
04/14/15				S	CSCO	\$0	\$12,363	\$75
04/21/15	\$61,600	\$61,054	\$0					
04/21/15				B & S	BAM	\$61,600	\$61,054	\$0
04/27/15	\$28,430	\$0	\$1,050					
04/27/15				B	AVP	\$28,430	\$0	\$1,050
04/30/15	\$0	\$30,079	\$0					
04/30/15				S	AVP	\$0	\$24,341	\$0
04/30/15				S	CSCO	\$0	\$5,738	\$0
05/18/15	\$41,570	\$11,869	\$1,175					
05/18/15				B	SGEN	\$41,570	\$0	\$1,000
05/18/15				S	SPLK	\$0	\$11,869	\$175
05/20/15	\$0	\$42,749	\$300					
05/20/15				S	SGEN	\$0	\$42,749	\$300
05/21/15	\$39,275	\$0	\$1,000					
05/21/15				B	KING	\$39,275	\$0	\$1,000
05/26/15	\$30,530	\$15,996	\$1,205					
05/26/15				S	FB	\$0	\$15,996	\$205
05/26/15				B	YOKU	\$30,530	\$0	\$1,000
06/02/15	\$30,839	\$36,749	\$850					
06/02/15				S	KING	\$0	\$36,749	\$0
06/02/15				B	YOKU	\$30,839	\$0	\$850
06/25/15	\$61,197	\$54,580	\$2,735					
06/25/15				B	LOCK	\$26,926	\$0	\$960
06/25/15				B	PVA	\$34,271	\$0	\$1,235
06/25/15				S	YOKU	\$0	\$54,580	\$540
07/16/15	\$0	\$7,179	\$0					
07/16/15				S	PVA	\$0	\$7,179	\$0
07/17/15	\$47,850	\$24,281	\$2,050					
07/17/15				S	LOCK	\$0	\$24,281	\$0
07/17/15				B	TROV	\$47,850	\$0	\$2,050
07/20/15	\$0	\$8,595	\$0					
07/20/15				S	BBG	\$0	\$8,595	\$0
07/31/15	\$0	\$51,556	\$0					
07/31/15				S	RPD	\$0	\$51,556	\$0
08/11/15	\$74,520	\$0	\$0					
08/11/15				B	QTS	\$74,520	\$0	\$0
08/13/15	\$0	\$74,812	\$0					
08/13/15				S	QTS	\$0	\$74,812	\$0
08/26/15	\$36,218	\$8,939	\$1,556					
08/26/15				B	FB	\$36,218	\$0	\$1,556
08/26/15				S	SLB	\$0	\$8,939	\$0
08/28/15	\$0	\$36,167	\$0					
08/28/15				S	FB	\$0	\$36,167	\$0
08/31/15	\$36,970	\$0	\$0					
08/31/15				B	HALO	\$36,970	\$0	\$0
09/25/15	\$41,207	\$0	\$1,575					
09/25/15				B	MSFT	\$41,207	\$0	\$1,575
09/30/15	\$0	\$39,450	\$0					
09/30/15				S	MSFT	\$0	\$39,450	\$0
10/05/15	\$38,345	\$0	\$720					
10/05/15				B	CHK	\$38,345	\$0	\$720
10/09/15	\$40,458	\$40,630	\$1,600					
10/09/15				S	CHK	\$0	\$40,630	\$0

Unauthorized Trades in the Account of Customer A

Date	Total Net Bought	Total Net Sold	Total Comm / SC	B/S	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comm / SC
10/09/15				B	VDSI	\$40,458	\$0	\$1,600
10/15/15	\$34,250	\$35,736	\$1,300					
10/15/15				B	FCX	\$34,250	\$0	\$1,300
10/15/15				S	VDSI	\$0	\$35,736	\$0
11/18/15	\$30,003	\$0	\$910					
11/18/15				B	CNX	\$30,003	\$0	\$910

Unauthorized Trades in the Account of Customer B

Date	Total Net Bought	Total Net Sold	Total Comm / SC	B/S	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comm / SC
01/26/15	\$0	\$16,995	\$100					
01/26/15				S	BBG	\$0	\$16,995	\$100
01/27/15	\$4,815	\$0	\$100					
01/27/15				B	TSEM	\$4,815	\$0	\$100
02/06/15	\$0	\$31,852	\$100					
02/06/15				S	BBG	\$0	\$31,852	\$100
02/10/15	\$46,990	\$0	\$750					
02/10/15				B	ISIS	\$46,990	\$0	\$750
02/11/15	\$34,340	\$0	\$300					
02/11/15				B	BBG	\$34,340	\$0	\$300
02/12/15	\$28,859	\$21,481	\$200					
02/12/15				S	ISIS	\$0	\$21,481	\$100
02/12/15				B	PVA	\$28,859	\$0	\$100
02/17/15	\$0	\$25,663	\$0					
02/17/15				S	ISIS	\$0	\$25,663	\$0
02/18/15	\$0	\$24,991	\$0					
02/18/15				S	PVA	\$0	\$24,991	\$0
02/24/15	\$110,675	\$49,699	\$1,000					
02/24/15				B	SUNE	\$59,855	\$0	\$1,000
02/24/15				B & S	TEP	\$50,820	\$49,699	\$0
03/02/15	\$35,621	\$44,246	\$0					
03/02/15				S	SUNE	\$0	\$44,246	\$0
03/02/15				B	ZIOP	\$35,621	\$0	\$0
03/04/15	\$0	\$39,262	\$100					
03/04/15				S	ZIOP	\$0	\$39,262	\$100
05/12/15	\$0	\$13,350	\$100					
05/12/15				S	TROV	\$0	\$13,350	\$100
05/14/15	\$0	\$37,700	\$0					
05/14/15				S	BAS	\$0	\$37,700	\$0
05/15/15	\$23,719	\$0	\$250					
05/15/15				B	YOKU	\$23,719	\$0	\$250
05/18/15	\$31,002	\$0	\$450					
05/18/15				B	SGEN	\$31,002	\$0	\$450
05/19/15	\$0	\$13,900	\$0					
05/19/15				S	TROV	\$0	\$13,900	\$0
05/20/15	\$0	\$22,680	\$0					
05/20/15				S	YOKU	\$0	\$22,680	\$0
05/21/15	\$39,275	\$32,222	\$1,075					
05/21/15				B	KING	\$39,275	\$0	\$1,000
05/21/15				S	SGEN	\$0	\$32,222	\$75
05/22/15	\$22,446	\$0	\$500					
05/22/15				B	TROV	\$22,446	\$0	\$500
05/27/15	\$33,379	\$37,301	\$0					
05/27/15				S	KING	\$0	\$37,301	\$0
05/27/15				B	TROV	\$5,800	\$0	\$0
05/27/15				B	YOKU	\$27,579	\$0	\$0

Unauthorized Trades in the Account of Customer C

Date	Total Net Bought	Total Net Sold	Total Comm / SC	B/S	Symbol	Net Dollar Bought	Net Dollar Sold	Total Comm / SC
01/26/15	\$0	\$2,007	\$0					
01/26/15				S	BBG	\$0	\$2,007	\$0
01/27/15	\$48,169	\$0	\$1,470					
01/27/15				B	TSEM	\$48,169	\$0	\$1,470
01/28/15	\$0	\$48,769	\$50					
01/28/15				S	TSEM	\$0	\$48,769	\$50
01/29/15	\$41,137	\$0	\$400					
01/29/15				B	WX	\$41,137	\$0	\$400
02/02/15	\$28,516	\$44,848	\$500					
02/02/15				B	BBG	\$28,516	\$0	\$500
02/02/15				S	TWTR	\$0	\$44,848	\$0
02/05/15	\$29,250	\$48,867	\$400					
02/05/15				B	AST	\$29,250	\$0	\$0
02/05/15				S	BBG	\$0	\$48,867	\$400
02/06/15	\$35,787	\$60,694	\$1,300					
02/06/15				S	AST	\$0	\$22,641	\$0
02/06/15				S	BBG	\$0	\$38,052	\$300
02/06/15				B	PVA	\$35,787	\$0	\$1,000
02/09/15	\$0	\$5,019	\$0					
02/09/15				S	AST	\$0	\$5,019	\$0
02/11/15	\$30,951	\$0	\$500					
02/11/15				B	VDSI	\$30,951	\$0	\$500
02/19/15	\$0	\$53,204	\$50					
02/19/15				S	SPLK	\$0	\$53,204	\$50
02/26/15	\$56,462	\$58,856	\$0					
02/26/15				B & S	ZIOP	\$56,462	\$58,856	\$0
03/02/15	\$0	\$11,024	\$0					
03/02/15				S	SUNE	\$0	\$11,024	\$0