

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2022075017201**

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

RE: Matthew J. Mangini (Respondent)  
Former Associated Person  
CRD No. 6527545

Pursuant to FINRA Rule 9216, Respondent Matthew J. Mangini submits this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described in this AWC.

**I.**

**ACCEPTANCE AND CONSENT**

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

**BACKGROUND**

On July 8, 2015, Crown Capital Securities, L.P. (CRD No. 6312) filed an initial non-registered fingerprint form for Mangini identifying his position as “back office.” At Crown Capital, Mangini was a customer service assistant that supported the firm’s securities business by, among other things, responding to customer inquiries, facilitating the completion of forms related to brokerage accounts and securities, providing customers with brokerage account statements, investment confirmations, and investment prospectuses, and other clerical duties. By virtue of his activities in the securities industry, Mangini was a “person associated with a member,” as that term is defined by FINRA’s By-Laws.

During his association with Crown Capital, Mangini also served as an investment advisor representative (IAR) with a registered investment advisory firm (RIA). On September 16, 2021, Crown Capital filed a non-registered fingerprint amendment form disclosing that Mangini’s employment was terminated on September 12, 2021.

Mangini is not currently registered or associated with a FINRA member firm. However, he remains subject to FINRA’s jurisdiction pursuant to Article I, Section (rr) and Article V, Section 4 of FINRA’s By-Laws.<sup>1</sup>

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<sup>1</sup> For more information about the respondent, visit BrokerCheck® at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

## OVERVIEW

Between January and July 2021, while associated with Crown Capital, Mangini participated in 11 unapproved private securities transactions totaling \$644,000. Mangini's conduct violated FINRA Rules 3280 and 2010.

## FACTS AND VIOLATIVE CONDUCT

FINRA Rule 3280(b) states, in pertinent part, that “[p]rior to participating in any private securities transaction, an associated person shall provide written notice to the member with which he is associated describing in detail the proposed transaction and the person’s proposed role therein and stating whether he has received or may receive selling compensation in connection with the transaction.” FINRA Rule 3280(e) defines generally a private securities transaction as any securities transaction outside the regular course or scope of an associated person’s employment with a member. FINRA Rule 3280(c) states that when an associated person has received or may receive selling compensation, the member firm shall provide written approval or disapproval of the associated person’s participation in the proposed private securities transaction. A violation of FINRA Rule 3280 is also a violation of FINRA Rule 2010, which requires associated persons, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade.

In addition to serving as an associated person of Crown Capital, Mangini also provided asset management services as an IAR. From January to July 2021, Mangini, in his capacity as an IAR, recommended and facilitated investments in two private securities offerings of alternative investments through the RIA. Mangini participated in 11 securities transactions through the RIA that raised \$644,000 from nine investors, all of whom were Crown Capital customers. Mangini participated in the transactions by recommending and facilitating the investments, including by meeting with the investors to solicit and discuss the investments, providing them with marketing materials, and assisting them with completing subscription agreements and other documentation. Mangini’s RIA clients paid advisory fees to the RIA on the assets held in their advisory accounts, including the alternative investments that Mangini recommended and facilitated.

Mangini did not provide Crown Capital with prior written notice of his participation in the sale of alternative investments through the RIA or obtain the firm’s written approval to sell those investments. Moreover, Crown Capital’s written supervisory procedures required the firm’s advance written permission for proposed outside transactions, including advisory transactions, based upon written disclosure of the details of the proposed transaction, the individual’s role therein, and an explanation concerning any selling compensation that may be received.

Therefore, Mangini violated FINRA Rules 3280 and 2010.

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

- a six-month suspension from associating with any FINRA member in all capacities and
- a \$10,000 fine.

The fine shall be due and payable either immediately upon reassociation with a member firm or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, he may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. *See* FINRA Rules 8310 and 8311.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

## II.

### WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against him;
- B. To be notified of the complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudice of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

### III.

#### OTHER MATTERS

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:
  1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
  2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
  3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and
  4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he may not deny the charges or make any statement that is inconsistent with the AWC in this statement. This statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA.

Respondent certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; Respondent understands and acknowledges that FINRA does not represent or advise him and Respondent cannot rely on FINRA for legal advice; Respondent has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

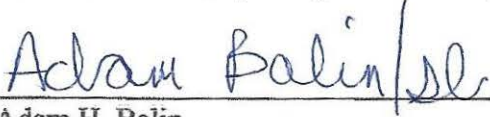
3/20/23  
Date

  
\_\_\_\_\_  
Matthew J. Mangini  
Respondent

Accepted by FINRA:

4/24/2023  
Date

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

  
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Adam H. Balin  
Senior Counsel  
FINRA  
Department of Enforcement  
1601 Market Street, Suite 2700  
Philadelphia, PA, 19103