

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2019063601401**

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

**RE:** Carl George Antaki (Respondent)  
General Securities Representative  
CRD No. 4177543

Pursuant to FINRA Rule 9216, Respondent Carl George Antaki 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 hereby accepts and consents, without admitting or denying the findings 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, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

**BACKGROUND**

Antaki first became registered with FINRA in 2000. Antaki was registered as a General Securities Representative through an association with First Standard Financial Company LLC (CRD No. 168340) from November 2015 to September 2019, when he resigned from the firm.

Since September 2019, Antaki has been registered as a General Securities Representative through an association with another FINRA member firm.

Respondent does not have any relevant disciplinary history.

**OVERVIEW**

Between August 2017 and June 2019, Antaki excessively and unsuitably traded one customer's account, in violation of FINRA Rules 2111 and 2010.

## **FACTS AND VIOLATIVE CONDUCT**

FINRA Rule 2111(a) provides in pertinent part that “[a] member or an associated person must have a reasonable basis to believe that a recommended transaction or investment strategy involving a security or securities is suitable for the customer, based on the information obtained through the reasonable diligence of the member or associated person to ascertain the customer’s investment profile.” Recommended securities transactions may be unsuitable if, when taken together, they are excessive, the level of trading is inconsistent with the customer’s investment profile, and the registered representative exercises control over the customer’s account. No single test defines when trading is excessive, but factors such as the turnover rate and the cost-to-equity ratio are considered in determining whether a member firm or associated person has violated FINRA’s suitability rule.

Turnover rate represents the number of times that a portfolio of securities is exchanged for another portfolio of securities. The cost-to-equity ratio measures the amount an account has to appreciate just to cover commissions and other expenses. In other words, it is the break-even point where a customer may begin to see a return. A turnover rate of six or a cost-to-equity ratio above 20 percent generally indicates that an account has been excessively traded.

Between August 2017 and June 2019, while he was registered through First Standard, Antaki engaged in excessive and unsuitable trading in the account of one customer (Customer 1), a 52-year-old executive at a manufacturing company. Customer 1 relied on Antaki’s advice and accepted his recommendations. During the relevant period, Antaki recommended that Customer 1 place frequent trades in his account. Although the account had an average monthly equity of approximately \$55,000, Antaki recommended and executed trades in Customer 1’s account with a total principal value of more than \$1 million over the relevant period, which resulted in an annualized turnover rate of more than eight. Collectively, the trades that Antaki recommended caused Customer 1 to pay \$22,865 in commissions and other trading costs, which resulted in an annualized cost-to-equity ratio of more than 30 percent—meaning that Customer 1’s account would have had to grow by more than 30 percent annually just to break even.

Antaki’s recommended securities transactions in Customer 1’s account were excessive and unsuitable given Customer 1’s investment profile. Therefore, Antaki violated FINRA Rules 2111 and 2010.

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

- a three-month suspension from associating with any FINRA member in all capacities;
- a \$5,000 fine; and
- restitution of \$22,865 plus interest as described below.

**Respondent agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. Respondent has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.**

**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 sanctions imposed in this matter.**

**Restitution is ordered to be paid to the customer listed on Attachment A to this AWC in the total amount of \$22,865, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. § 6621(a)(2), from June 30, 2019, until the date this AWC is accepted by the National Adjudicatory Council (NAC).**

**Respondent shall submit satisfactory proof of payment of restitution and prejudgment interest (separately specifying the date and amount of each paid to the customer listed on Attachment A) or of reasonable and documented efforts undertaken to effect restitution. Such proof shall be submitted by email to EnforcementNotice@FINRA.org. The email must identify Respondent and the case number and include a copy of the check, money order, or other method of payment. This proof shall be provided by email to EnforcementNotice@FINRA.org no later than 120 days after the date of the notice of acceptance of the AWC.**

**If for any reason Respondent cannot locate any customer identified in Attachment A after reasonable and documented efforts within 120 days after the date of the notice of acceptance of the AWC, or such additional period agreed to by FINRA in writing, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed property, or abandoned property fund for the state in which the customer is last known to have resided. Respondent shall provide satisfactory proof of such action to FINRA in the manner described above, within 14 calendar days of forwarding the undistributed restitution and interest to the appropriate state authority.**

**The imposition of a restitution order or any other monetary sanctions in this AWC, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies.**

**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 prejudgment 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**

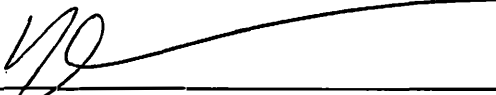
Respondent understands that:

- 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 testimonial obligations or right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.**
- 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 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.

5/3/21  
Date


  
\_\_\_\_\_  
Carl George Antaki  
Respondent

Reviewed by:

  
\_\_\_\_\_  
Anthony Varbero, Esq.  
Counsel for Respondent  
Joseph Mure Jr. & Associates  
26 Court St., Suite 1200  
Brooklyn, NY 11242

Accepted by FINRA:

May 20, 2021  
Date

Signed on behalf of the  
Director of ODA, by delegated authority  
  
\_\_\_\_\_  
Stuart P. Feldman  
Senior Counsel  
FINRA  
Department of Enforcement  
99 High St., Suite 900  
Boston, MA 02110

**Attachment A  
to Letter of Acceptance, Waiver, and Consent  
Matter No. 2019063601401**

**Customer 1: J.V.**