

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2020067328101**

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

RE: Equitable Advisors, LLC (Respondent)
Member Firm
CRD No. 6627

Pursuant to FINRA Rule 9216, Respondent Equitable Advisors, LLC 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

Equitable has been a FINRA member firm since 1974. It conducts general securities business and its principal place of business is in New York, New York. Equitable has approximately 5,400 registered representatives across 1,051 branches.¹

OVERVIEW

In December 2018, Equitable executed a settlement agreement with a customer containing language conditioning the settlement on a customer's agreement not to oppose or object to expungement of his claims from the Central Registration Depository System (the CRD System). As a result, Equitable violated FINRA Rules 2081 and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated with a disciplinary referral from a FINRA arbitrator on July 17, 2020.

¹ For more information about the firm, including prior regulatory events, visit BrokerCheck® at www.finra.org/brokercheck.

The CRD System is the central licensing and registration system for the U.S. securities industry and its regulators. The information in the CRD System includes administrative and disciplinary information about registered persons, including customer complaints, arbitration claims, and court filing made by customers, and the arbitration awards or court judgments that may result from those claims or filings.

FINRA Rule 2081 prohibits members and associated persons from conditioning or seeking to condition settlement of a customer dispute on, or otherwise compensating the customer for, “the customer’s agreement to consent to, or not to oppose, the member’s or associated person’s request to expunge such customer dispute information from the CRD system.” As noted in Regulatory Notice 14-31 (July 2014), FINRA Rule 2081 was enacted to remove parties’ ability to bargain for expungement relief as part of settlements with customers. A violation of FINRA Rule 2081 is a violation of FINRA Rule 2010.

On December 10, 2018, Equitable settled a FINRA arbitration proceeding brought by the customer against it and one of its registered representatives. The settlement agreement improperly provided that the customer would “not oppose, object to, or otherwise interfere with” any motion brought by the representative to expunge information from the CRD System relating to the customer’s claims. Although Equitable did not insert the violative language relating to expungement to the agreement, through inadvertence, it failed to detect and remove that provision before signing.

Therefore, Equitable violated FINRA Rule 2081 and 2010.

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

- a censure; and
- a \$20,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which it 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 sanction imposed in this matter.

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 it;
- 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 it 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.

The undersigned, on behalf of Respondent, certifies that a person duly authorized to act on Respondent's behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has agreed to the AWC's provisions voluntarily; and that 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 Respondent to submit this AWC.

October 7, 2021

Date

Equitable Advisors, LLC
Respondent

Print Name: Frank Massa

Title: President

Accepted by FINRA:

October 19, 2021

Date

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

Mark S. Geiger

Mark S. Geiger
Counsel
FINRA
Department of Enforcement
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