

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2020067385401**

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

RE: Matthew Platnico (Respondent)
General Securities Representative and General Securities Sales Supervisor
CRD No. 2102086

Pursuant to FINRA Rule 9216, Respondent Matthew Platnico 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

Platnico first became registered with FINRA in 1991. From April 2019 to March 2023, Platnico was registered with FINRA as a General Securities Representative and General Securities Sales Supervisor through an association with Allied Millennial Partners, LLC (CRD No. 16569).

Platnico is not currently registered with any FINRA member firm. However, he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of FINRA's By-Laws.¹

OVERVIEW

From September 2019 to March 2020, Platnico engaged in unauthorized and unsuitable trading in the account of one customer, in violation of FINRA Rules 2111 and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter arose out of FINRA's review of an arbitration filed by a customer.

¹ For more information about the Respondent, visit BrokerCheck® at www.finra.org/brokercheck.

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.” FINRA Rule 2111(a) further provides that a customer’s investment profile includes, but is not limited to, the customer’s age, financial situation and needs, investment objectives, investment experience, and any other information the customer may disclose to the member or associated person in connection with such recommendation.

A violation of FINRA Rule 2111 also is a violation of FINRA Rule 2010, which requires associated persons to “observe high standards of commercial honor and just and equitable principles of trade” in the conduct of their business. Unauthorized trading, or executing transactions in a customer’s account without the customer’s prior knowledge or consent, is also a violation of FINRA Rule 2010.

Prior to September 2019, Platnico recommended a high-risk options trading strategy in a joint account held by the customer and her late husband. Platnico communicated about that strategy regularly with the customer’s husband. In September 2019, however, following the death of the customer’s husband, the customer and Platnico spoke by telephone once, and Platnico continued to execute the trading strategy in the account. Platnico did not contact the customer before placing the options transactions at issue, nor did he have discretionary trading authority in the customer’s account. Additionally, although Platnico occasionally called the customer’s son to discuss the options trading strategy employed in the customer’s account, Platnico never obtained written trading authorization from the client for her son to direct the trading in the account.

Moreover, Platnico did not conduct reasonable diligence to confirm that the options strategy continued to be suitable for the customer’s investment profile. In fact, it was not given that the strategy involved a substantial risk of loss, the customer was retired, had limited investment knowledge and experience, and the customer had only a moderate risk tolerance. Platnico placed at least 100 unsuitable and unauthorized options trades in the customer’s account from September 2019 through March 2020, which caused her to suffer substantial losses in February and March 2020.

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

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

- a nine-month suspension from associating with any FINRA member in all capacities and
- a \$10,000 fine.²

² This AWC does not require that Platnico pay restitution because the customer settled with the firm an arbitration claim related to the conduct at issue in this AWC.

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 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 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 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 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 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.

May 10, 2023

Date

Matthew Platnico

Matthew Platnico
Respondent

Reviewed by:

Martin H. Kaplan

Martin H. Kaplan, Esq.
Counsel for Respondent
Gusrae Kaplan Nusbaum PLLC
120 Wall Street
New York, NY 10005

Accepted by FINRA:

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

May 23, 2023

Date

Myla Arumugam

Myla G. Arumugam
Principal Counsel
FINRA
Department of Enforcement
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