

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2020067046901**

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

RE: Anthony L. Cross (Respondent)
General Securities Representative
CRD No. 3155726

Pursuant to FINRA Rule 9216, Respondent Anthony L. Cross 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

Cross first became registered with FINRA as an Investment Company and Variable Contracts Products Representative (IR) through a FINRA member firm in 1998. In 2001, he registered with FINRA as an IR through The O.N. Equity Sales Company (ONESCO) (CRD No. 2936). In 2009, he registered with FINRA as a General Securities Representative (GS) through ONESCO. On June 24, 2020, ONESCO filed a Uniform Termination Notice for Securities Industry Registration (Form U5) stating that the firm had “[d]ischarged” Cross for “enter[ing] discretionary orders for customer accounts in violation of firm policies.” Cross is currently registered with FINRA as a GS and IR through another FINRA member firm.

In 2012, the Oklahoma Department of Securities commenced an administrative enforcement proceeding against Cross for engaging in unethical practices in the securities business by recommending that a senior Oklahoma customer mortgage her home and purchase securities with the mortgage proceeds; reporting information Cross knew, or should have known, was false on the customer’s new account form; falsely representing that the customer’s purchases of certain securities were unsolicited; and violating ONESCO’s supervisory procedures. This matter was resolved through the issuance of a consent order on August 23, 2012, pursuant to which Cross paid \$4,900 in restitution to the customer and completed certain training courses.

In 2021, Cross entered into a consent order with the Oklahoma Department of Securities, through which he consented to findings that, while he was associated with ONESCO, he engaged in unethical practices in the securities business. Specifically, Cross violated ONESCO's written procedures and FINRA Rule 3260 by engaging in discretionary trading in approximately 35 customer accounts between March 2020 and April 2020 without the customers' prior written authorization and ONESCO's acceptance of the accounts as discretionary (2021 Consent Order). The 2021 Consent Order imposed a civil penalty of \$5,000 and a 10 calendar-day suspension of his state securities registration.¹

OVERVIEW

Between March 2020 and June 2020, Cross violated FINRA Rules 3260(b) and 2010 by exercising discretionary authority to effect 633 trades in 126 customer accounts, without obtaining written authorization from the customers to exercise discretion and without his firm having the accounts accepted as discretionary.

FACTS AND VIOLATIVE CONDUCT

This matter originated from the Form U5 that ONESCO filed in June 2020.

FINRA Rule 3260(b) prohibits registered representatives from exercising any discretionary power in a customer's account unless the customer has given prior written authorization to a stated individual or individuals and the account has been accepted by the member in writing. A violation of FINRA Rule 3260(b) 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.

Between March 2020 and June 2020, Cross exercised discretionary authority when placing 633 trades in 126 customer accounts. Although the customers understood that Cross was placing trades in their accounts, none had given him prior written authorization to exercise discretion, and Cross did not speak with the customers on the dates of the trades. In addition, ONESCO did not accept any of the customer accounts as discretionary accounts.

Therefore, Cross violated FINRA Rules 3260(b) and 2010.

SANCTIONS CONSIDERATIONS

In determining the appropriate sanctions in this matter, FINRA considered, among other factors, the sanction imposed by the 2021 Consent Order, which relates to a subset of the discretionary trading at issue in this AWC.

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

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

- a 20 calendar-day suspension from associating with any FINRA member in all capacities and
- a \$5,000 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 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

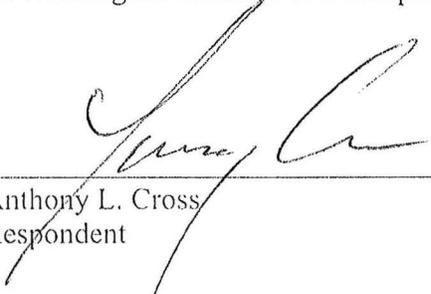
Respondent understands that:

- 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.

8/22/23
Date



Anthony L. Cross
Respondent

Reviewed by:



Charles M. O'Rourke, Esq.

Counsel for Respondent
2 Swenson Drive
Woodbury, New York 11797

Accepted by FINRA:

September 5, 2023

Date

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



Grace McAllister
Counsel
FINRA
Department of Enforcement
1601 Market Street, 2700
Philadelphia, Pennsylvania 19103