

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2022075799001**

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

RE: David Nathan Slater (Respondent)
General Securities Representative
CRD No. 2061869

Pursuant to FINRA Rule 9216, Respondent David Nathan Slater 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

David Nathan Slater first registered with FINRA in 1991 through an association with a member firm. From December 2012 until August 2022, Slater was registered as a General Securities Representative through an association with The Investment Center, Inc. (TIC). On August 1, 2022, TIC filed a Uniform Termination Notice for Securities Industry Registration (Form U5) disclosing that Slater had been terminated for “[f]ailure to follow firm policy.”

Since August 2022, Slater has been registered as a General Securities Representative through an association with another member firm.¹

OVERVIEW

From August 2014 to July 2022, Slater shared approximately \$500,000 in commissions generated from securities transactions in his customers’ accounts with an unregistered person. As a result, Slater violated FINRA Rules 2040 and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from the August 1, 2022 Form U5 referenced above.

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

FINRA Rule 2040(a) prohibits associated persons from, directly or indirectly, paying commissions to “any person that is not registered as a broker-dealer under Section 15(a) of the Exchange Act but, by reason of receipt of any such payments and the activities related thereto, is required to be so registered under applicable federal securities laws and [Exchange Act] rules and regulations.” Exchange Act Section 15(a) prohibits “a natural person not associated with a broker or dealer . . . to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security . . . unless . . . registered.”

A violation of FINRA Rule 2040 is 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.”

From August 2014 to July 2022, Slater paid an unregistered person approximately \$500,000 in transaction-based compensation—half of the commissions he earned from his work at TIC—as part of a business partnership with that person, including insurance sales, unrelated to the securities industry. Slater and the unregistered person also communicated regarding potential securities recommendations for one or more brokerage customers and met jointly with at least one customer to discuss securities recommendations.

Therefore, Respondent violated FINRA Rules 2040 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 and
- a \$7,500 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.

August 23, 2024

Date

David Slater

David Nathan Slater
Respondent

Reviewed by:

Michael Uilla

Michael Uilla, Esq.
Counsel for Respondent
2225 East 74th Street
Brooklyn, NY 11234

Accepted by FINRA:

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

August 30, 2024

Date

Jonathan J. Ossip

Jonathan J. Ossip
Counsel
FINRA
Department of Enforcement
1700 K Street NW
Washington, DC 20006