

BrokerCheck Report

TRIPOINT GLOBAL EQUITIES/BANQ(R)

CRD# 143174

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About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

- o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- o information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)

**TRIPOINT GLOBAL
EQUITIES/BANQ(R)**

CRD# 143174

SEC# 8-67540

Main Office Location1450 BROADWAY
26TH FL
NEW YORK, NY 10018**Mailing Address**1450 BROADWAY
26TH FL
NEW YORK, NY 10018**Business Telephone Number**

(212) 732-7184

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Maryland on 11/30/2006.

Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This brokerage firm is no longer registered with FINRA or a national securities exchange.

**Disclosure Events**

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	2

Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.



**This firm terminated or
withdrew registration on:** 03/13/2020

**Does this brokerage firm owe
any money or securities to
any customer or brokerage
firm?** No



Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Maryland on 11/30/2006.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

TRIPPOINT GLOBAL EQUITIES, LLC

Doing business as TRIPPOINT GLOBAL EQUITIES/BANQ(R)

CRD# 143174

SEC# 8-67540

Main Office Location

1450 BROADWAY
26TH FL
NEW YORK, NY 10018

Mailing Address

1450 BROADWAY
26TH FL
NEW YORK, NY 10018

Business Telephone Number

(212) 732-7184



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any): TPF HOLDINGS, LLC

Is this a domestic or foreign entity or an individual? Domestic Entity

Position OWNER/MEMBER

Position Start Date 11/2006

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): BOSWELL, MICHAEL ROBERT

5292563

Is this a domestic or foreign entity or an individual? Individual

Position PRESIDENT, CCO

Position Start Date 05/2019

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): ELENOWITZ, MARK HARRIS

2057802

Is this a domestic or foreign entity or an individual? Individual

Position CEO

Position Start Date 11/2006

Firm Profile**Direct Owners and Executive Officers (continued)**

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): GOLDBACH, KRISTINE MARIE
2352622

Is this a domestic or foreign entity or an individual? Individual

Position FINOP, PFO, POO

Position Start Date 01/2019

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No



Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

Legal Name & CRD# (if any):	ELENOWITZ, MARK HARRIS
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	TPF HOLDINGS, LLC
Relationship to Direct Owner	OWNER/MEMBER
Relationship Established	11/2006
Percentage of Ownership	50% but less than 75%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	BOSWELL, MICHAEL ROBERT
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	TPF HOLDINGS, LLC
Relationship to Direct Owner	OWNER/MEMBER
Relationship Established	11/2006
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.



Firm Operations



Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is no longer registered.

The firm's registration was from 05/25/2007 to 05/12/2020.



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 8 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter

Broker or dealer selling corporate debt securities

Underwriter or selling group participant (corporate securities other than mutual funds)

Mutual fund retailer

Put and call broker or dealer or option writer

Non-exchange member arranging for transactions in listed securities by exchange member

Private placements of securities

Other - THE FIRM SHALL OFFER CORPORATE FINANCE CONSULTING THAT MAY INCLUDE FROM TIME TO TIME CONSULTATION REGARDING MERGERS AND/OR ACQUISITIONS.
THE FIRM SHALL PROVIDE ADVICE TO THE ISSUER OF SECURITIES IN POTENTIAL PUBLIC OFFERINGS, AND MAKING REFERRAL TO THE ISSUER OF A LEAD UNDERWRITER.
THE FIRM WILL ALSO PRODUCE INTERNAL IN-HOUSE RESEARCH.

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.

This firm does not engage in other non-securities business.

Non-Securities Business Description:

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does not refer or introduce customers to other brokers and dealers.

Firm Operations

Industry Arrangements



This firm does not have books or records maintained by a third party.

This firm does not have accounts, funds, or securities maintained by a third party.

This firm does not have customer accounts, funds, or securities maintained by a third party.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.

Firm Operations



Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is not, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	1	1	0



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - o A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - o A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - § A "pending" event involves allegations that have not been proven or formally adjudicated.
 - § An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - § A "final" event has been concluded and its resolution is not subject to change.
 - o A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - § An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - § A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - § A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 1

Reporting Source: Regulator
Current Status: Final

**Allegations:**

THE FIRM WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT THE FIRM, THROUGH ITS ANTI-MONEY LAUNDERING COMPLIANCE OFFICER (AMLCO) AND CHIEF COMPLIANCE OFFICER, AND ITS HEAD OF TRADING, FAILED TO ESTABLISH AND IMPLEMENT AML POLICIES AND PROCEDURES REASONABLY DESIGNED TO DETECT AND REPORT SUSPICIOUS ACTIVITY, INCLUDING AML RED FLAGS, IN CONNECTION WITH THE FIRM'S PENNY STOCK BUSINESS. THE COMPLAINT ALLEGES THAT THE FIRM ENGAGED IN THE PENNY STOCK BUSINESS, EFFECTING TRANSACTIONS FOR CUSTOMERS, INCLUDING A PARTICULAR CUSTOMER, WHOSE PRIMARY TRADING ACTIVITY INVOLVED THE DEPOSIT AND PROMPT LIQUIDATION OF LOW-PRICED SECURITIES. THE FIRM, THE AMLCO, AND THE HEAD OF TRADING WERE AWARE THAT THESE CUSTOMERS' TOXIC-DEBT FINANCING BUSINESS MODEL, WHICH WAS DISCLOSED AT ACCOUNT OPENING, WAS TO DEPOSIT PENNY STOCKS AND IMMEDIATELY BEGIN LIQUIDATING THE POSITIONS. NONETHELESS, THE RESPONDENTS FAILED TO DEVELOP AND IMPLEMENT AN AML PROGRAM TO ADDRESS THE HEIGHTENED RISKS INHERENT IN THESE CUSTOMERS' ACTIVITIES. THE FIRM'S AML SYSTEM WAS NOT TAILORED TO REASONABLY CAUSE THE DETECTION OF RED FLAGS AND PATTERNS OF POTENTIALLY SUSPICIOUS ACTIVITY WITH REGARD TO ITS CUSTOMERS' DEPOSIT AND LIQUIDATION OF PENNY STOCKS. AS A RESULT, THE FIRM, THE AMLCO, AND THE HEAD OF TRADING FAILED TO IDENTIFY OR INVESTIGATE RED FLAGS IN CONNECTION WITH THE PARTICULAR CUSTOMER'S DEPOSIT AND LIQUIDATION OF LOW-PRICED SECURITIES. BECAUSE THE RESPONDENTS DID NOT ADEQUATELY IDENTIFY OR CONSIDER NUMEROUS RED FLAGS RELATED TO THIS CUSTOMER'S LIQUIDATION OF PENNY STOCKS, THEY ALSO FAILED TO ADEQUATELY CONSIDER WHETHER TO FILE A SUSPICIOUS ACTIVITY REPORT AS REQUIRED BY THE BANK SECRECY ACT AND ITS IMPLEMENTING REGULATIONS. THE COMPLAINT ALSO ALLEGES THAT THE FIRM FAILED TO COMPLY WITH THE REGISTRATION REQUIREMENTS OF SECTION 5 OF THE SECURITIES ACT OF 1933 BY ENGAGING IN THE UNLAWFUL RE-SALES OF APPROXIMATELY 16,907,900 SHARES OF RESTRICTED SECURITIES OF TWO PENNY STOCK ISSUERS INTO THE PUBLIC MARKET ON BEHALF OF THE PARTICULAR CUSTOMER. THE COMPLAINT FURTHER ALLEGES THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WRITTEN SUPERVISORY PROCEDURES, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE REGISTRATION REQUIREMENTS OF SECTION 5 OF THE SECURITIES ACT OF 1933 FOR THE RE-SALES OF RESTRICTED SECURITIES. THE HEAD TRADER WAS RESPONSIBLE FOR THE DAILY SUPERVISION OF ITS MICROCAP SECURITIES LIQUIDATION BUSINESS, INCLUDING APPROVING OR REJECTING DEPOSITS OF RESTRICTED SECURITIES FOR RE-SALE. AT THE TIME OF DEPOSIT, HE REVIEWED THE SUPPORTING DOCUMENTS AND INFORMATION PROVIDED BY FIRM CUSTOMERS THAT PURPORTED TO



ESTABLISH THAT THE CUSTOMER'S SECURITIES WERE ELIGIBLE FOR RE-SALE INTO THE SECONDARY MARKET, WITHOUT PERFORMING A SEARCHING INQUIRY AS REQUIRED. INSTEAD, HE RELIED ON THE CUSTOMERS' REPRESENTATIONS AND SUPPORTING DOCUMENTS SUBMITTED AT THE TIME OF DEPOSIT. IN ADDITION, THE FIRM DID NOT REQUIRE THE HEAD TRADER OR ANYONE ELSE TO PERFORM AN ANALYSIS TO DETERMINE WHETHER SHARES WERE LEGALLY PERMISSIBLE FOR RE-SALE AT THE TIME OF LIQUIDATION. THUS, THE FIRM FAILED TO IDENTIFY THAT THE RE-SALES IN SHARES OF THE TWO-PENNY STOCK ISSUERS WERE NOT ELIGIBLE FOR THE SEC RULE 144 SAFE HARBOR, AND BY EXTENSION THE SECTION 4(A)(1) EXEMPTION UNDER THE SECURITIES ACT, AND THUS, CONTRAVENED SECTION 5.

Initiated By: FINRA

Date Initiated: 09/07/2018

Docket/Case Number: [2015048172801](#)

Principal Product Type: Penny Stock(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 03/05/2019

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$100,000.00
Disgorgement/Restitution

Other Sanctions Ordered: INTEREST; PROHIBITION; UNDERTAKING

Sanction Details: THE FIRM WAS CENSURED, FINED \$100,000, ORDERED TO PAY DISGORGEMENT OF COMMISSIONS IN THE AMOUNT OF \$34,001, PLUS INTEREST, AND FOR A PERIOD OF 12 MONTHS FOLLOWING THE DATE OF THE NOTICE OF ACCEPTANCE OF THIS OFFER OF SETTLEMENT, THE FIRM IS PROHIBITED FROM DIRECTLY OR INDIRECTLY RECEIVING, IN ANY



MANNER, ANY PENNY STOCK' IN ANY FORM, INCLUDING BUT NOT LIMITED TO RECEIPT IN CERTIFICATE FORM, RECEIPT BY DEPOSIT WITHDRAWAL AT CUSTODIAN (DWAC) OR BY DEPOSITORY TRUST CORPORATION (DTC) FREE RECEIPT AND FROM SELLING, FOR THE BENEFIT OF ANY CUSTOMER OR FIRM PROPRIETARY ACCOUNT, ANY PENNY STOCK DEPOSITED WITH THE FIRM (INCLUDING THROUGH THE FIRM'S CLEARING FIRM) BY AUTOMATED CUSTOMER ACCOUNT TRANSFER (ACAT). WITHIN 90 DAYS FROM THE NOTICE OF ACCEPTANCE OF THIS OFFER OF SETTLEMENT, A REGISTERED PRINCIPAL AND EXECUTIVE OFFICER OF THE FIRM, ON BEHALF OF THE FIRM, SHALL SUBMIT A CERTIFICATION THAT THE FIRM'S POLICIES AND PROCEDURES ARE REASONABLY DESIGNED WITH RESPECT TO THE FIRM'S COMPLIANCE WITH FINRA RULE 3310 AND THE REGISTRATION REQUIREMENTS OF SECTIONS 5(A) AND 5(C) OF THE SECURITIES ACT OF 1933, INCLUDING IN CONNECTION WITH THE FIRM'S PRIVATE PLACEMENT BUSINESS AND ANY FIRM OFFERED SECURITIES. FINES PAID IN FULL ON MARCH 25, 2019.

Regulator Statement

WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT THE FIRM, THROUGH ITS AMLCO AND CCO AND HEAD OF TRADING (HEAD TRADER), FAILED TO ESTABLISH AND IMPLEMENT AML POLICIES AND PROCEDURES REASONABLY DESIGNED TO DETECT AND REPORT SUSPICIOUS ACTIVITY, INCLUDING AML RED FLAGS, IN CONNECTION WITH THE FIRM'S PENNY STOCK BUSINESS. THE FINDINGS STATED THAT THE FIRM EFFECTED PENNY STOCK TRANSACTIONS FOR CUSTOMERS, WHOSE PRIMARY TRADING ACTIVITY INVOLVED THE DEPOSIT AND PROMPT LIQUIDATION OF PENNY STOCKS. THE FIRM, ITS AMLCO AND HEAD TRADER WERE AWARE THAT THESE CUSTOMERS' TOXIC-DEBT FINANCING BUSINESS MODEL, WHICH WAS DISCLOSED AT ACCOUNT OPENING, WAS TO DEPOSIT PENNY STOCKS AND IMMEDIATELY BEGIN LIQUIDATING THE POSITIONS. NONETHELESS, THE FIRM, ITS AMLCO AND HEAD TRADER FAILED TO DEVELOP AND IMPLEMENT AN AML PROGRAM TO ADDRESS THE HEIGHTENED RISKS INHERENT IN THESE CUSTOMERS' ACTIVITIES. THE FIRM'S AML SYSTEM WAS NOT TAILORED TO REASONABLY CAUSE THE DETECTION OF RED FLAGS AND PATTERNS OF POTENTIALLY SUSPICIOUS ACTIVITY WITH REGARD TO THE FIRM'S CUSTOMERS' DEPOSIT AND LIQUIDATION OF PENNY STOCKS. IN PARTICULAR, THE FIRM DID NOT DEVELOP OR IMPLEMENT ANY PROCESSES OR PROCEDURES FOR THE HEAD TRADER OR AMLCO TO DETECT MARKET MANIPULATION, PREARRANGED TRADING, OR PATTERNS OF ACTIVITY INDICATIVE OF PUMP AND DUMP SCHEMES. IN ADDITION, THE FIRM, THROUGH ITS AMLCO AND HEAD TRADER, FAILED TO MONITOR FOR, DETECT, OR FURTHER INVESTIGATE THE RED FLAGS FOR PENNY STOCK TRANSACTIONS IDENTIFIED IN ITS OWN AML PLAN. THE FIRM, ITS AMLCO AND HEAD TRADER FAILED TO IDENTIFY OR INVESTIGATE RED FLAGS IN CONNECTION WITH A CUSTOMER'S DEPOSIT AND LIQUIDATION OF LOW-



PRICED SECURITIES. BECAUSE THE FIRM, ITS AMLCO AND HEAD TRADER DID NOT ADEQUATELY IDENTIFY OR CONSIDER NUMEROUS RED FLAGS RELATED TO THE CUSTOMER'S LIQUIDATION OF PENNY STOCKS, THEY ALSO FAILED TO ADEQUATELY CONSIDER WHETHER TO FILE A SUSPICIOUS ACTIVITY REPORT AS REQUIRED BY THE BANK SECRECY ACT AND ITS IMPLEMENTING REGULATIONS. THE FINDINGS ALSO STATED THAT THE FIRM FAILED TO COMPLY WITH THE REGISTRATION REQUIREMENTS OF SECTION 5 OF THE SECURITIES ACT OF 1933 (SECURITIES ACT) BY ENGAGING IN THE UNLAWFUL RE-SALES OF APPROXIMATELY 16,907,900 SHARES OF RESTRICTED SECURITIES OF TWO PENNY STOCK ISSUERS INTO THE PUBLIC MARKET ON BEHALF OF THE CUSTOMER. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH REGISTRATION REQUIREMENTS OF SECTION 5 FOR THE RE-SALE OF RESTRICTED OR CONTROL SECURITIES. IN PARTICULAR, THE FIRM'S SUPERVISORY SYSTEM WAS INADEQUATE TO ENSURE THAT ITS CUSTOMERS' SALES OF LOW-PRICED SECURITIES WERE SOLD PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR QUALIFIED FOR A VALID EXEMPTION THEREFROM. THE HEAD TRADER, WAS RESPONSIBLE FOR THE DAILY SUPERVISION OF THE FIRM'S MICROCAP SECURITIES LIQUIDATION BUSINESS, INCLUDING APPROVING OR REJECTING DEPOSITS OF RESTRICTED SECURITIES FOR RE-SALE. AT THE TIME OF DEPOSIT, THE HEAD TRADER REVIEWED THE SUPPORTING DOCUMENTS AND INFORMATION PROVIDED BY FIRM CUSTOMERS THAT PURPORTED TO ESTABLISH THAT THE CUSTOMER'S SECURITIES WERE ELIGIBLE FOR RE-SALE INTO THE SECONDARY MARKET, WITHOUT PERFORMING A SEARCHING INQUIRY AS REQUIRED. INSTEAD, THE HEAD TRADER RELIED ON THE CUSTOMERS' REPRESENTATIONS AND SUPPORTING DOCUMENTS SUBMITTED AT THE TIME OF DEPOSIT. IN ADDITION, THE FIRM DID NOT REQUIRE THE HEAD TRADER OR ANYONE ELSE TO PERFORM AN ANALYSIS TO DETERMINE WHETHER SHARES WERE LEGALLY PERMISSIBLE FOR RE-SALE AT THE TIME OF LIQUIDATION. CONSEQUENTLY, THE FIRM FAILED TO IDENTIFY THAT THE RE-SALES IN SHARES OF TWO PENNY STOCK ISSUERS WERE NOT ELIGIBLE FOR THE RULE 144 SAFE HARBOR, AND BY EXTENSION THE SECTION 4(A)(1) EXEMPTION UNDER THE SECURITIES ACT, AND THUS, CONTRAVENED SECTION 5.

Reporting Source: Firm

Current Status: Final

Allegations: THE TRIPOINT GLOBAL EQUITIES ("TRIPPOINT") WAS NAMED IN A FINRA COMPLAINT THAT ALLEGES THAT TRIPOINT FAILED TO ESTABLISH AND IMPLEMENT A REASONABLE AML PROGRAM IN VIOLATION OF FINRA



RULES 3310(A) AND 2010. THE COMPLAINT ALSO ALLEGES THAT TRIPOINT FAILED TO COMPLY WITH THE REGISTRATION REQUIREMENT OF SECTION 5 OF THE SECURITIES ACT OF 1933 IN CONNECTION WITH THE RE-SALE OF SHARES OF TWO PENNY STOCK ISSUERS THAT GENERATED PROCEEDS OF APPROXIMATELY \$73,500 (FOR THE CUSTOMER) AND COMMISSIONS OF ROUGHLY \$3,600 (FOR TRIPOINT) AND THEREBY VIOLATED FINRA RULE 2010. THE COMPLAINT FURTHER ALLEGES THAT TRIPOINT FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE REGISTRATION REQUIREMENTS OF SECTION 5 OF THE SECURITIES ACT OF 1933 FOR RE-SALES OF RESTRICTED SECURITIES AND THEREBY VIOLATED NASD RULE 3010(A) AND FINRA RULES 3110(A) AND 2010.

Initiated By: FINRA

Date Initiated: 09/07/2018

Docket/Case Number: [2015048172801](#)

Principal Product Type: Penny Stock(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Decision & Order of Offer of Settlement

Resolution Date: 03/05/2019

Sanctions Ordered: Censure
Monetary/Fine \$134,001.00
Disgorgement/Restitution

Other Sanctions Ordered:

Sanction Details: THE FIRM AGREED TO A CENSURE, A FINE OF \$100,000, DISGORGEMENT OF COMMISSIONS OF \$34,001 AND FOR A PERIOD OF TWELVE (12) MONTHS FOLLOWING THE DATE OF THE NOTICE OF ACCEPTANCE OF THIS OFFER OF SETTLEMENT, TRIPOINT IS PROHIBITED FROM DIRECTLY OR INDIRECTLY RECEIVING, IN ANY MANNER, ANY PENNY STOCK IN ANY FORM, INCLUDING BUT NOT LIMITED TO RECEIPT IN CERTIFICATE FORM, RECEIPT BY DEPOSIT WITHDRAWAL AT CUSTODIAN ("DWAC") OR BY DEPOSITORY TRUST CORPORATION ("DTC") FREE RECEIPT. THE INDIRECT RECEIPT OF SECURITIES INCLUDES SECURITIES RECEIVED BY TRIPOINT'S CLEARING FIRM ON BEHALF OF TRIPOINT'S CUSTOMERS OR SECURITIES TRANSFERRED FROM THE CLEARING FIRM VIA ANY MEANS. EXCLUDED



FROM THIS PROHIBITION IS ANY PENNY STOCK DIRECTLY OR INDIRECTLY RECEIVED BY TRIPOINT'S CUSTOMERS AS PART OF AN OFFERING IN WHICH TRIPOINT HAS ACTED AS A SELLING AGENT OR A MEMBER OF A SALES SYNDICATE.

Firm Statement

THE FIRM ACCEPTED AN OFFER OF SETTLEMENT FROM DOE, WITHOUT ADMITTING OR DENYING THE ALLEGATIONS IN THE COMPLAINT AND SOLELY FOR THE PURPOSE OF SETTLING THE MATTER.



Regulatory - Pending

This type of disclosure event may include a pending formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory agency such as the Securities and Exchange Commission, foreign financial regulatory body) for alleged violations of investment-related rules or regulations.

Disclosure 1 of 1

Reporting Source: Regulator

Current Status: Pending

Allegations: THE FIRM WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT IT RECOMMENDED AND SOLD PARTICIPATION INTERESTS IN PRIVATE PLACEMENTS (THE OFFERINGS) TO ITS CUSTOMERS, WITHOUT HAVING A REASONABLE BASIS TO BELIEVE THAT ITS RECOMMENDATIONS WERE SUITABLE FOR AT LEAST SOME INVESTORS. THE COMPLAINT ALLEGES THAT THE FIRM DID NOT HAVE A REASONABLE BASIS TO RECOMMEND THESE INVESTMENTS BECAUSE IT FAILED TO CONDUCT REASONABLE DILIGENCE ON THE OFFERINGS, THE ISSUERS OF THESE INVESTMENTS, AND THE PRINCIPALS WHO FORMED AND MANAGED THE ISSUERS. THE FIRM FAILED TO REASONABLY INVESTIGATE AND FOLLOW UP ON RED FLAGS THAT CALLED INTO QUESTION THE VIABILITY OF THE ISSUERS' BUSINESS PROSPECTS AND THE PRINCIPALS' ABILITY TO OPERATE AND MANAGE A PROFITABLE BUSINESS. THROUGH THE OFFERINGS, THE FIRM RAISED OVER \$16 MILLION FROM CUSTOMERS AND GENERATED NEARLY \$500,000 IN PLACEMENT AGENT FEES FOR THE FIRM. THE FIRM'S CUSTOMERS ULTIMATELY LOST MILLIONS OF DOLLARS FROM INVESTING IN THESE OFFERINGS WHEN IT WAS LATER DISCOVERED THAT THE PRINCIPALS USED THE ISSUERS TO CONDUCT A PONZI SCHEME. THE COMPLAINT ALSO ALLEGES THAT THE FIRM FAILED TO REASONABLY SUPERVISE THE OFFERINGS TO ENSURE COMPLIANCE WITH FINRA RULE 2111. THE FIRM'S SUPERVISION OF THESE OFFERINGS WAS NOT REASONABLE BECAUSE IT FAILED TO ENFORCE THE FIRM'S WSPS WITH RESPECT TO PRIVATE PLACEMENT DUE DILIGENCE AND IT FAILED TO INVESTIGATE AND FOLLOW UP ON RED FLAGS THAT COULD HAVE ALERTED IT TO THE POTENTIAL MISCONDUCT.

Initiated By: FINRA

Date Initiated: 05/29/2020

Docket/Case Number: [2017053409201](#)

Principal Product Type: Other

Other Product Type(s): PRIVATE PLACEMENTS

Principal Sanction(s)/Relief Sought:



**Other Sanction(s)/Relief
Sought:**

End of Report



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