

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2017052698601**

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

RE: Randy T. Carpen, Respondent
General Securities Representative
General Securities Principal
CRD No. 2469877

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent Randy T. Carpen ("Carpen") 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 herein.

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

Carpen first registered with FINRA as a General Securities Representative (GS) in 1995 through an association with a FINRA member firm. Since that time, Carpen has been associated with numerous different FINRA member firms. As relevant here, Carpen was registered with Freedom Investors Corp. (BD No. 23714) ("Freedom Investors") as a GS and General Securities Principal (GP) from February 25, 2015 to June 21, 2017, and Vestech Securities, Inc. (BD No. 41409) ("Vestech Securities") as a GS and GP from July 25, 2017 to May 10, 2018. By Uniform Termination Notice for Securities Industry Registration (Form U5) dated May 10, 2018, Vestech reported that Carpen voluntarily terminated his association with Vestech. Carpen is not currently registered with FINRA, but remains subject to FINRA's jurisdiction pursuant to Article V, Section 4 of the FINRA By-Laws.

RELEVANT DISCIPLINARY HISTORY

Carpen does not have any formal disciplinary history with the Securities and Exchange Commission, any self-regulatory organization, or any state securities regulator.

OVERVIEW

During an investigation by FINRA into allegations that Carpen excessively traded a customer account, Carpen failed to produce documents and information requested by FINRA staff pursuant to FINRA Rule 8210, in violation of FINRA Rules 8210 and 2010.

FACTS AND VIOLATIVE CONDUCT

FINRA Rule 8210(a)(1) states, in relevant part, that FINRA may “require a . . . person associated with a member . . . to provide information orally, in writing, or electronically . . . with respect to any matter involved in [a FINRA] investigation . . .” FINRA Rule 8210(c) states that “[n]o member or person shall fail to provide information . . . or to permit an inspection and copying of books, records, or accounts pursuant to this Rule.” A failure to comply with FINRA Rule 8210 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.

On January 15, 2020, FINRA staff sent a request to Carpen for documents and information pursuant to FINRA Rule 8210, and required that these materials be produced by January 24, 2020. The request was sent in connection with FINRA’s investigation into allegations that Carpen, among other things, excessively traded a customer account while Carpen was associated with Freedom Investors and Vestech Securities. As Carpen verbally stated on a telephone call with FINRA Staff on January 17, 2020, and by this agreement, Carpen acknowledges that he received FINRA’s request and will not produce the information or documents requested at any time. By refusing to produce the information or documents as requested pursuant to FINRA Rule 8210, Carpen violated FINRA Rules 8210 and 2010.

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

- A bar from association with any FINRA member firm in any capacity.

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 herein shall be effective on a date set by FINRA staff. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

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 acceptance or rejection of this AWC.

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:

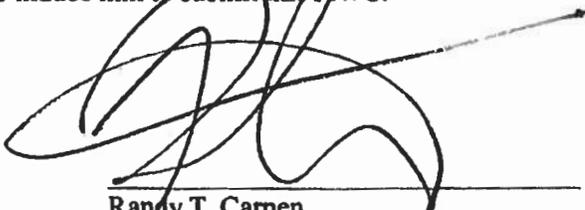
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216; -
- B. If this AWC is not accepted, its submission will 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 the subject matter thereof 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: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

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 understands and acknowledges that FINRA does not represent or advise him and Respondent cannot rely on FINRA or FINRA staff members for legal advice. 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 herein and the prospect of avoiding the issuance of a Complaint, has been made to induce him to submit this AWC.

1/22/20
Date



Randy T. Carpen
Respondent

Accepted by FINRA:

01/31/2020
Date

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

Ralph Delouis

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