

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2019061510101**

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

RE: Terry Tzagarakis (Respondent)
General Securities Representative
CRD No. 2796055

Pursuant to FINRA Rule 9216, Respondent Terry Tzagarakis 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 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

Tzagarakis entered the securities industry in June 2000 when he became registered as a General Securities Representative (GSR) through his association with J.P. Turner & Company, L.L.C, a FINRA member. After leaving J.P. Turner in 2001, Tzagarakis associated with six different FINRA members, until associating with Spartan Capital Securities LLC (Spartan Capital) in January 2013, where he was registered as a GSR. In April 2020, Tzagarakis voluntarily left Spartan Capital and associated with a different FINRA member. After leaving that firm in May 2020, Tzagarakis associated with another FINRA member firm, where he is currently registered as a GSR.

Tzagarakis does not have any relevant disciplinary history.

OVERVIEW

Between approximately March 2016 to March 2019, while associated with Spartan Capital, respondent Terry Tzagarakis willfully failed to timely amend his Form U4 to disclose two outstanding federal tax liens, totaling \$112,899.35, and one outstanding New York State tax lien for \$59,010.91. One of the federal tax liens was disclosed approximately five months late, while the other federal and state tax liens were disclosed approximately two years after being filed. As a result of this conduct, Tzagarakis

willfully violated Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010.

FACTS AND VIOLATIVE CONDUCT

Under Article V, Section 2(c) of FINRA's By-Laws, a registered representative must keep his Form U4 current at all times and file amendments to the Form U4 not later than 30 days after learning of the facts or circumstances giving rise to the amendment.

FINRA Rule 1122 provides, "No member or person associated with a member shall file with FINRA information with respect to membership or registration which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof."

A violation of Article V, Section 2(c) of FINRA's By-Laws and FINRA Rule 1122 also constitutes a violation of FINRA Rule 2010, which requires all members to conduct business with high standards of commercial honor and just and equitable principles of trade.

At all relevant times, question 14(M) of Form U4 required registrants to disclose if they had any unsatisfied judgments or liens, and Tzagarakis was aware of his obligation to disclose unsatisfied tax liens on his Form U4. Spartan Capital's Written Supervisory Procedures in effect during the relevant period required its registered representatives to include accurate information and promptly notify the firm of any updates that may require amendment to Form U4.

Between March 9, 2016 and March 21, 2017, the IRS filed two tax liens against Tzagarakis, in the amounts of \$73,681.24 and \$39,218.11, respectively. The IRS mailed notice of each lien to Tzagarakis's residential address within one day of filing the lien. Tzagarakis has not satisfied either of the tax liens. Nonetheless, Tzagarakis failed to amend his Form U4 to disclose the March 2016 tax lien until August 30, 2016, over five months after the lien was imposed, and failed to disclose the March 2017 tax lien until March 19, 2019, almost two years after the lien was imposed.

The New York State Department of Taxation and Finance filed a tax warrant against Tzagarakis on February 17, 2017, which resulted in the imposition of a lien against Tzagarakis for \$59,010.91. The tax warrant was mailed to Tzagarakis's residential address on or about the date of filing. Tzagarakis has not satisfied the New York State tax lien. Nonetheless, Tzagarakis failed to amend his Form U4 to disclose the New York State tax lien until February 13, 2018, approximately two years after the lien was imposed.

Despite his knowledge of these liens and the need to disclose them on his Form U4, Tzagarakis failed to timely amend his Form U4. Therefore, Tzagarakis willfully violated Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010.

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

- A three-month suspension from association with any FINRA member in any capacity, 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.

Respondent understands that this settlement includes a finding that he willfully omitted to state a material fact on a Form U4, and that under Section 3(a)(39)(F) of the Securities Exchange Act of 1934 and Article III, Section 4 of FINRA's By-Laws, this omission makes him subject to a statutory disqualification with respect to association with a member.

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 prejudice 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:

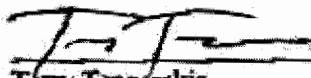
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not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

- 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.

12/15/20
Date


Terry Tzagarakis
Respondent

Reviewed by:



Bryan Ward, Esq.
Counsel for Respondent
Holcomb + Ward, LLP
3455 Peachtree Road, NE
Suite 500
Atlanta, GA 30326

Accepted by FINRA:

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

1/4/2021

Date



Alex Marinello
Senior Attorney
FINRA
Department of Enforcement
200 Liberty Street, 11th Floor
New York, NY 10281