

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2019060645801**

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

RE: Richard L. Langer (Respondent)
General Securities Representative and Registered Options Representative
CRD No. 2457028

Pursuant to FINRA Rule 9216, Respondent Richard L. Langer 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

Langer first registered with FINRA as a General Securities Representative (GS) through an association with a FINRA member firm in May 1994. Since then, Langer has been associated with numerous different FINRA member firms. On November 30, 2015, Langer registered with FINRA as a GS through an association with Planner Securities LLC (BD No. 36866). On December 14, 2015, Langer registered with FINRA as a Corporate Securities Representative, Municipal Securities Representative, Registered Options Representative, Operations Professional, and Government Securities Representative, and on July 6, 2017, Langer registered with FINRA as a Direct Participation Programs Representative, all through his association with Planner. Langer remains associated with Planner in each of these capacities.¹

OVERVIEW

Between January 2016 and November 2019, while associated with Planner, Langer authored 22 posts on a public Facebook page that did not comply with FINRA's rules regarding communications with the public. A number of Langer's posts contained claims about the performance and purported success of an investment club that Langer operated and a hedge fund at which he traded, both of which were approved outside business activities. These posts, however, failed to provide sufficient facts to allow for a sound

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

basis of the evaluation of those claims. Additionally, a number of Langer's posts were options-related but did not contain disclosures about the risks of options, were posted prior to delivery of an options disclosure document, and were posted without firm principal approval or pre-submission to FINRA's Advertising Regulation Department, as required. As a result, Langer violated FINRA Rules 2210, 2220, and 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a cycle examination conducted by FINRA Member Supervision.

FINRA Rule 2210 governs communications by registered representatives with the public. FINRA Rule 2220 sets forth requirements with respect to options-related communications.

FINRA Rule 2210(d)(1)(A) provides that “[a]ll member communications² must be based on principles of fair dealing and good faith, must be fair and balanced, and must provide a sound basis for evaluating the facts in regard to any particular security or type of security, industry, or service. No member may omit any material fact or qualification if the omission, in light of the context of the material presented, would cause the communications to be misleading.”

FINRA Rule 2220(d)(2)(A) states that “No member or associated person . . . shall use any options communication which . . . fails to reflect the risks attendant to options transactions” [or] . . . “fails to include a warning to the effect that options are not suitable for all investors or contains suggestions to the contrary.” Rule 2220(d)(1)(A) provides that options communications regarding standardized options³ “must be limited to general descriptions of the options being discussed,” and “must not contain . . . past or projected performance figures, including annualized rates of return, or names of specific securities” prior to delivery of an options disclosure document.⁴ Rule 2220(b)(1) provides that retail communications “issued by a member concerning options shall be approved in advance by a Registered Options Principal designated by the member’s written supervisory procedures.” Rule 2220(c)(1) provides that retail communications “concerning standardized options used prior to delivery of the applicable current options disclosure document or prospectus shall be submitted to the Advertising Regulation Department of FINRA . . . at least ten calendar days prior to use.”

² “Communications” for purposes of Rules 2210 and 2220 include correspondence, retail communications, and institutional communications. Retail communications consist of any written (including electronic) communications distributed or made available to more than 25 retail investors within a 30 calendar-day period. *See* FINRA Rule 2210(a)(5); FINRA Rule 2220(a)(1)(C). Langer’s posts, which were made on a public Facebook page that had approximately 130 followers, are retail communications.

³ “Standardized option” means any option contract issued, or subject to issuance, by The Options Clearing Corporation, that has standardized terms for the strike price, expiration date, and amount of the underlying security, and is traded on a national securities exchange registered pursuant to Section 6(a) of the Exchange Act. *See* FINRA Rule 2220(a)(2). Langer’s options-related Facebook posts related to a trading strategy that employed the routine trading of standardized options.

⁴ The specifications for the disclosure document are set forth in FINRA Rule 2360(a).

Violations of FINRA Rules 2210 and 2220 also constitute 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 January 2016 and November 2019, Langer maintained a public Facebook page for an investment club he operated. Langer authored 20 posts on the Facebook page regarding the performance, investment returns, industry standing, and purported successes of the investment club and a separate hedge fund at which Langer traded.⁵

For example, on January 9, 2018, Langer posted: *“Good Day to all ! Hope everyone had a wonderful Holiday season and wishing everyone a healthy and happy 2018 ! We did it yet again ! #2 top performing options hedge fund for November 2017, 1.93% return . With a year to date return on invest of 29.12% We still remain the Top performing options Hedge fund in 2017!! i can tell you that December record breaking return(to be released in 2 weeks) put us over 34% return for 2017 making [Hedge Fund A] the #1 options strategy hedge fund on the street for 2017,, That's back to back years we took #1 best performing options strategy hedge fund on the Planet !! interested in putting your money to work for you? Ask us.”*

Similarly, on November 13, 2019, Langer posted: *“Good afternoon all, I'm extremely pleased to announce Our monthly performance for September 2019 . [Hedge Fund A] took 3rd place for an options hedge fund with a monthly return of 2.79%. and with that, we are currently the TOP performing options strategy hedge Fund on the street. Our 2019 YTD return of 35.38% is over 100% higher than the second best performing options fund as we have beat the S&P every year since our 2015 inception! Who has your best interests in mind ,? WE DO !”*

Likewise, on May 22, 2018, Langer posted: *“Good Day All ! we are extremely please to announce that April 2018 was the Best monthly % return for [Investment Club X] since its inception in Feb of 2013 ,, we have now just reached over 10% for the 2018 YTD ,while the S&P and DOW are floundering about flat for the year ,, whos got your best interest in mind all the time? WE DO , have questions? just ask. !”*

These posts, in part, did not provide a sound basis for evaluating the claims Langer made about the investment club and hedge fund, as required by FINRA Rule 2210(d)(1)(A). The 20 posts made only positive claims about the prospects and performance of the investment club and hedge fund, but did not explain any of the risks associated with investing with these entities.

Langer made eleven posts that were options-related (nine of the 20 posts, and an additional two posts), but his posts failed to reflect the risks attendant to options transactions, and failed to include a warning that options are not suitable for all investors, as required by FINRA Rule 2220(d)(2)(A). Langer's posts went beyond general

⁵ Langer disclosed his involvement with the investment club and the hedge fund on an outside business activities questionnaire he submitted to Planner in November 2015, in connection with his hiring, which the firm approved.

descriptions of the options being discussed by describing specific transactions or including performance,⁶ prior to delivery of an options disclosure document, in contravention of FINRA Rule 2220(d)(1)(A). Langer also did not obtain approval in advance for any of his options-related posts from a Registered Options Principal of the firm, as called for by FINRA Rule 2220(b)(1). Nor did he submit the posts to FINRA's Advertising Regulation Department at least ten days prior to use, as called for by FINRA Rule 2220(c)(1).

Therefore, Langer violated FINRA Rules 2210, 2220, and 2010.

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

- a 10 business-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;

⁶ For example, Langer stated in an April 1, 2016 post that "[Issuer 1] hype, had us selling puts-202.5 down to 185 puts yesterday for 6 – 33 cents, like shooting fish in a barrel !"

- 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:

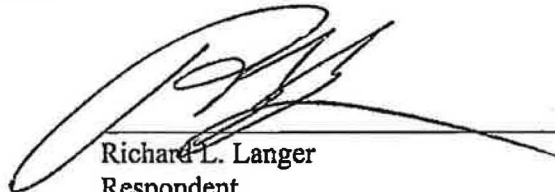
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not 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.

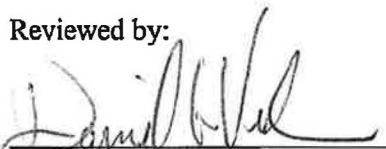
D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he may not deny the charges or make any statement that is inconsistent with the AWC in this statement. This statement 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.

11.8.22
Date


Richard L. Langer
Respondent

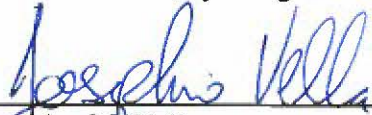
Reviewed by:


Daniel G. Viola
Counsel for Respondent
Sadis & Goldberg LLP
551 Fifth Avenue, 21st Floor
New York, NY 10176

Accepted by FINRA:

December 1, 2022
Date

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



Josephine M. Vella
Principal Counsel
FINRA
Department of Enforcement
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