

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 202006665701**

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

RE: Sanjay Bhargava (Respondent)  
General Securities Representative  
CRD No. 4495397

Pursuant to FINRA Rule 9216, Respondent Sanjay Bhargava 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**

Bhargava first became registered with FINRA in February 2003 as a General Securities Representative through his association with a FINRA member. In February 2011, Bhargava became associated with Securities America, Inc., and again registered as a General Securities Representative. Bhargava was permitted to resign from Securities America effective May 13, 2020. Bhargava associated with another member firm effective May 21, 2020, and remains associated with that firm.

**OVERVIEW**

In November and December 2018, Bhargava participated in six private securities transactions away from his firm. The investments, which totaled \$341,250, were in a private offering related to a hotel in Salt Lake City, Utah. Bhargava did not disclose his participation in these transactions to his firm. Through this conduct, Bhargava violated FINRA Rules 3280 and 2010.

**FACTS AND VIOLATIVE CONDUCT**

This matter originated from an investigation of Bhargava's potential participation in private securities transactions away from his firm.

FINRA Rule 3280 prohibits any person associated with a member from participating in

any manner in a private securities transaction, unless, prior to participating in the transaction, the person provides written notice to his/her member firm describing in detail the proposed transaction and the person's proposed role therein.

FINRA Rule 2010 requires associated persons in the conduct of their business to observe high standards of commercial honor and just and equitable principles of trade. A violation of FINRA Rule 3280 also constitutes a violation of FINRA Rule 2010.

In 2011, Bhargava and another registered representative, Broker 1, became associated with Securities America. Broker 1 was also a certified public accountant, and Bhargava would occasionally refer clients to Broker 1 for accounting and tax services.

In November 2018, Broker 1 established a limited liability company for the purpose of pooling investment funds to invest in a private placement offering issued by Company A, which specializes in preserving and operating historic real estate. This Company A offering (the Offering) related to a hotel located in Salt Lake City, Utah, and offered the possibility of tax credits for investors who qualified.

While Broker 1 was the manager of the LLC, Bhargava played a role in establishing the relationship between Company A and Broker 1. In November 2018, Bhargava communicated with Company A regarding the Offering, and discussed how investors in Broker 1's LLC would become investors in Company A's Offering. Bhargava also discussed the Offering with some individuals.

On November 23, 2018, Bhargava forwarded offering documents for the LLC to six individuals, none of whom were Securities America customers. These six individuals ultimately invested \$341,250 in the LLC. While Bhargava participated in these private securities transactions, he did not receive any compensation related to the LLC or the Offering.

On December 9, 2018, Bhargava completed annual compliance attestations at Securities America in which he misrepresented that he did not engage in any private securities transactions since his last attestation.

Therefore, Bhargava violated FINRA Rules 3280 and 2010.

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

- a 3-month 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;
- 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:

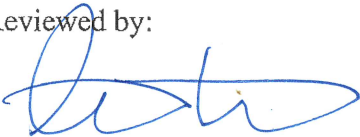
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not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

5/1/2022  
Date

  
Sanjay Bhargava  
Respondent

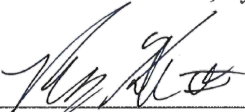
Reviewed by:

  
Scott Matasar  
Counsel for Respondent  
Matasar Jacobs LLC  
1111 Superior Avenue, Suite 1355  
Cleveland, Ohio 44114

Accepted by FINRA:

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

5/13/2022  
Date

  
Roger J. Kiley  
Senior Counsel  
FINRA  
Department of Enforcement  
55 W. Monroe Street, Suite 2700  
Chicago, Illinois 60603