

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2020066887202**

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

RE: Derek John Rehill (Respondent)  
General Securities Principal and General Securities Representative  
CRD No. 2935032

Pursuant to FINRA Rule 9216, Respondent Derek John Rehill 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**

Rehill first registered with FINRA in May 1998. Rehill registered with FINRA as a General Securities Representative through an association with Joseph Stone Capital L.L.C. (CRD No. 159744) in January 2016. In October 2018, Rehill also registered as a General Securities Principal through Joseph Stone. In October 2021, Joseph Stone filed a Uniform Termination Notice for Securities Industry Registration (Form U5) stating that Rehill had voluntarily resigned. Rehill is currently registered with FINRA through an association with another FINRA-member firm.<sup>1</sup>

**OVERVIEW**

On four occasions between October 2019 and July 2020, Rehill prepared inaccurate customer contact notes reflecting telephone calls with four customers, in violation of FINRA Rule 2010.

**FACTS AND VIOLATIVE CONDUCT**

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

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<sup>1</sup> For more information about the Respondent, visit BrokerCheck® at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

Creating a document or entry in a firm's system that includes altered or untrue information is inconsistent with just and equitable principles of trade and violates FINRA Rule 2010.

During the relevant period, Rehill was responsible for periodically calling customers whose accounts Joseph Stone had identified as "actively traded" to confirm, among other things, the investment objective and risk tolerance reflected on the customer's new account form. For each call, Rehill was required to complete a customer contact form which included fields for Rehill to record whether the customer had confirmed his or her investment objective and risk tolerance.

On four occasions during the relevant period, Rehill completed customer contact forms that inaccurately stated that customers had confirmed their investment objectives and risk tolerances. On three of the four occasions, Rehill completed customer contact forms reflecting that customers had confirmed they had a speculative investment objective when, in fact, the customers had not. For example, one such customer told Rehill that he wanted to "do more of a long-term thing than keep buying and selling so much." On the fourth occasion, Rehill completed a customer contact form reflecting that a customer had confirmed he had a speculative risk tolerance when Rehill had not asked the customer any questions about his risk tolerance.

Therefore, Rehill violated FINRA Rule 2010.

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

- a two-month suspension from associating with any FINRA member in all capacities.

Respondent has submitted a statement of financial condition and demonstrated an inability to pay. In light of Respondent's financial status, no monetary sanctions have been imposed.

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 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 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.

3/6/23  
Date

Derek John Rehill  
Derek John Rehill  
Respondent

Reviewed by:

Michael P. Gilmore

Michael P. Gilmore, Esq.  
Counsel for Respondent  
Moss & Gilmore LLP  
129 Third Street  
Mineola, New York 11501

Accepted by FINRA:

3/20/23  
Date

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

Myla G. Arumugam  
Myla G. Arumugam  
Principal Counsel  
FINRA  
Department of Enforcement  
581 Main St., 7th Floor  
Woodbridge, NJ 07095