

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2020068101001**

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

RE: Sam Shehu (Respondent)  
Former General Securities Representative  
CRD No. 2486647

Pursuant to FINRA Rule 9216, Respondent Sam Shehu 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**

Shehu first registered with FINRA in 1994. In February 2019, Shehu became registered with FINRA as a General Securities Representative through an association with LPL Financial LLC. On September 25, 2020, LPL filed a Form U5 terminating Shehu's registration for "[submitting an] account application without obtaining proper authorization from his Firm joint representative, in violation of Firm policy."

Although Shehu is not currently associated with a FINRA member, FINRA retains jurisdiction over him pursuant to Article V, Section 4 of FINRA's By-Laws.<sup>1</sup>

**OVERVIEW**

From February 2019 to August 2020, Shehu electronically signed his partner's signature on multiple forms, including new account applications and discretionary authorization agreements. Therefore, Shehu violated FINRA Rules 2010 and 4511.

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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).

## FACTS AND VIOLATIVE CONDUCT

FINRA began investigating Shehu after receiving the Form U5 filed by LPL on September 25, 2020.

FINRA Rule 2010 states that “a member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.” Falsifying documents occurs when a person creates a document or entry in a firm’s system that creates a false appearance by including altered or untrue information. Signing or affixing another person’s name to a document -- even with the other person’s permission but without indicating that it is being done on someone else’s behalf -- is falsification. Falsification is a violation of FINRA Rule 2010.

FINRA Rule 4511 requires members to “make and preserve books and records as required under the FINRA rules, the Exchange Act and the applicable Exchange Act rules.” Exchange Act Rule 17a-3(a) requires firms to maintain records of brokerage accounts as well as any grant of discretionary authority by a customer. Inherent in the obligation to make and preserve books and records is the requirement that they be accurate. A registered representative who falsifies signatures on firm records causes the firm to maintain inaccurate records and, thereby, violates FINRA Rule 4511. A violation of FINRA Rule 4511 is also a violation of FINRA Rule 2010.

Beginning in February 2019, Shehu electronically signed his registered representative partner’s name on account opening and discretionary authority agreements. LPL required both representatives of record to sign new account and discretionary authority agreements. When his partner was unavailable, Shehu would electronically sign for his partner and submit the documents to LPL. Although Shehu believed he had permission to sign documents on behalf of his partner, he failed to alert the firm he was doing so and falsified his partner’s signature on dozens of documents.

Shehu’s misconduct is aggravated by his effort to conceal the falsifications from LPL. After LPL began investigating his falsifications, Shehu asked his partner to falsely claim that he had electronically signed the documents. Shehu also falsely stated on two compliance questionnaires that he had not signed another person’s signature on a document.

Therefore, Shehu violated FINRA Rules 2010 and 4511.

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

- a two-month suspension from associating with any FINRA member in all capacities and
- a \$7,500 fine.

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 fine shall be due and payable either immediately upon reassociation with a member firm or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

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.

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.

June 1, 2022



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Date

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Sam Shehu  
Respondent

Reviewed by:

*David Cosgrove*

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David Cosgrove  
Counsel for Respondent  
Cosgrove Law Group, LLC  
7722 Big Bend Boulevard  
St. Louis, Missouri 63119

Accepted by FINRA:

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

June 9, 2022

*Julie Lenaghan*

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Date

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Julie A. Lenaghan  
Principal Counsel  
FINRA  
Department of Enforcement  
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