

**BEFORE THE
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC**

In the Matter of the Application of

Joshua Caltrider

For Review of Action Taken by

FINRA

Administrative Proceeding File No. 3-22476

FINRA'S BRIEF IN OPPOSITION TO THE APPLICATION FOR REVIEW

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TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
II. FACTUAL AND PROCEDURAL BACKGROUD	3
A. Caltrider’s Securities Industry and Related Investment Field Experience	3
B. PKS Requests an Examination Waiver for Caltrider That FINRA’s Department of Testing and Continuing Education Denies	4
C. PKS Appeals, and the Waiver Subcommittee Affirms, the Department of Testing and Continuing Education’s Waiver Denial	5
D. The Waiver Subcommittee Reconsiders and Reaffirms the Appeal Decision	6
III. SUMMARY OF THE ARGUMENT	7
IV. ARGUMENT	9
A. The Specific Grounds Upon Which FINRA Acted Exist in Fact	9
1. FINRA Properly Followed the Waiver Guidelines Related to a Registration Filing Error in Denying the Examination Waiver Request	11
a. PKS Failed to Demonstrate That a Registration Filing Error Occurred.....	11
b. PKS Provided No Documentation of Its Attempt to Register Caltrider as a General Securities Representative	15
c. PKS Failed to Demonstrate That Caltrider Functioned, in Good Faith, as a General Securities Representative	16
2. FINRA Properly Followed the Waiver Guidelines Regarding Caltrider’s Experience in Denying the Examination Waiver Request.....	17
3. Caltrider’s Request for Reconsideration Corrected No Error of Fact or Law Required to Reverse FINRA’s Waiver Denial	21
B. FINRA’s Denial of the Examination Waiver Request Was in Accordance with Its Rules	26
C. FINRA Applied Its Rules in a Manner Consistent with the Purposes of the Exchange Act and Imposed No Undue Burden on Competition	28

V. CONCLUSION.....34

TABLE OF AUTHORITIES

Federal Decisions

Page

Little v. United States, 2015 U.S. Dist. LEXIS 66392
(N.D. W. Va. May 21, 2015)24

SEC Decisions and Releases

Steven Altman, Esq., Exchange Act Release No. 63665,
2011 SEC LEXIS 30 (Jan. 6, 2011).....21

Anthony K. Barkate, 57 S.E.C. 488 (2004).....25

Hans N. Beerbaum, Exchange Act Release No. 55731,
2007 SEC LEXIS 971 (May 9, 2007).....14

B.R. Stickle & Co., 51 S.E.C. 1022 (1994)14

Eric J. Brown, et. al., Exchange Act Release No. 66752,
2012 SEC LEXIS 1127 (Apr. 5, 2012).....24

Edward M. Daspin, Exchange Act Release No. 82836,
2018 SEC LEXIS 689 (Mar. 8, 2018).....21, 22

James Lee Goldberg, Exchange Act Release No. 66549,
2012 SEC LEXIS 762 (Mar. 9, 2012).....11, 14, 27, 29, 32

Dennis Todd Lloyd Gordon, Exchange Act Release No. 57655,
2008 SEC LEXIS 819 (Apr. 11, 2008).....32

Gina Guzzone, 57 S.E.C. 592 (2004).....19, 30, 31

Thomas C. Kocherhans, 52 S.E.C. 528 (1995).....13

Michael Stegawski, Exchange Act Release No. 59326,
2009 SEC LEXIS 216 (Jan. 30, 2009).....19, 20, 31, 32,

Adam Strege, Exchange Act Release No. 102412,
2025 SEC LEXIS 460 (Feb. 13, 2025)22

Jon G. Symon, 54 S.E.C. 102 (1999).....31, 32

<i>Chris Woessner</i> , Admin. Proc. File No. 3-10607, 2002 SEC LEXIS 3469 (Dec. 30, 2002).....	23
--	----

Federal Rules and Statutes

15 U.S.C. § 78o(b)(7)	28
15 U.S.C. § 78o-3(g)(3)(B).....	28
15 U.S.C. § 78s(f)	9
17 C.F.R. § 201.451(a).....	34
17 C.F.R. § 240.15b7-1.....	28

FINRA/NASD Rules

FINRA Rule 1210	9,
FINRA Rule 1210.03	10, 15, 21, 23,26, 29
FINRA Rule 1210.08	9, 14
FINRA Rule 1220(b)(2)(B)	9
FINRA Rule 1240(a)(2)	9, 14
FINRA Rule 9610	10, 15, 21, 23
FINRA Rule 9630(a).....	27
FINRA Rule 9630(e).....	27
FINRA Rule 9630(e)(2)	27

Miscellaneous

FINRA, <i>Exam Credit and Exam Validity</i> , https://www.finra.org/registration-exams-ce/qualification-exams/exam-credit-validity	3
FINRA, <i>How to Register with FINRA</i> , https://www.finra.org/registration-exams-ce/manage-your-career/how-register-finra	13, 14

FINRA, *Individual Registration*, <https://www.finra.org/registration-exams-ce/individuals>14

FINRA, *Manage Your Securities Industry Career*, <https://www.finra.org/registration-exams-ce/manage-your-career>.....14

FINRA, *Permitted Activities of Registered Representatives*, <https://www.finra.org/registration-exams-ce/qualification-exams/permited-activities-registered-representatives>20,

FINRA, *Qualification Exam Waivers and Exemptions*, <https://www.finra.org/registration-exams-ce/qualification-exams/exam-waivers-and-exemptions>5, 10, 11, 15, 18, 25, 26,

NASAA *Series 65 Exam Content Outline*, <https://www.nasaa.org/exams/general-exam-information/series-65-exam-content-outline/>20

Notice of Filing and Immediate Effectiveness of a Proposed Rule Change and Amendment No. 1 Thereto by the National Association of Securities Dealers, Inc. to Amend the Rule 9600 Series, Exchange Act Release No. 50099, 2004 SEC LEXIS 1647 (July 27, 2004).....10

Requirement of Broker-Dealers to Comply with SRO Qualification Standards, Exchange Act Release No. 32261, 1993 SEC LEXIS 1152 (May 4, 1993).....29

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FINRA’S BRIEF IN OPPOSITION TO THE APPLICATION FOR REVIEW

I. INTRODUCTION

Joshua Caltrider (“Caltrider”) has appealed the October 17, 2024 decision of the Waiver Subcommittee of FINRA’s National Adjudicatory Council (“Waiver Subcommittee”) to the Securities and Exchange Commission. The Waiver Subcommittee correctly denied the request made by Purshe Kaplan Sterling Investments (“PKS” or “Firm”), on Caltrider’s behalf, for a waiver of the Series 7 (general securities representative) qualification examination because the Firm failed to show, as required by FINRA rules, that this was an exceptional case warranting an exemption.

FINRA rules require that all persons associated with a FINRA member engaged in an investment banking or securities business must register in a category that corresponds to their existing job functions and responsibilities. To provide the fairest and most objective measurement of competency, FINRA rules also require that each associated person holding oneself out to the public as a registered representative or principal must demonstrate—before

engaging in any securities activity—proficiency in their designated area by successfully passing the requisite qualification examination.

Under FINRA Rule 1210.03, an exemption from FINRA’s qualification rules and examination requirements may be granted only in exceptional cases and when good cause is shown. To qualify for an examination waiver, an applicant must meet the high threshold of establishing that an extraordinary circumstance warrants a waiver from passing the examination. In this case, the Waiver Subcommittee correctly determined that neither PKS nor Caltrider met that high threshold.

Although Caltrider argues that a purported registration filing error and his securities industry and related investment field experience warrants a waiver from the Series 7 examination requirement, the record is devoid of compelling evidence to support these arguments. PKS did not meet its burden of demonstrating that the Firm made a registration filing error causing the lapse in his Series 7 registration and that Caltrider, in good faith, acted as a general securities representative on behalf of PKS since the time of the purported error. Nor did the Firm show that Caltrider’s securities industry and related investment field experience was exceptional. FINRA’s denial of the waiver request, which was grounded in fact and well supported by the record, was rendered in accordance with FINRA’s rules and was consistent with the purposes of the Securities Exchange Act of 1934 (“Exchange Act”). Therefore, the Commission should dismiss Caltrider’s application for review.

II. FACTUAL AND PROCEDURAL BACKGROUND

A. Caltrider's Securities Industry and Related Investment Field Experience

Caltrider entered the securities industry in 2012. RP 9, 288.¹ From June 2012 to April 2019, he was employed at Morgan Stanley, a FINRA member firm, as a financial advisor. RP 9-11, 288-90. While at Morgan Stanley, Caltrider passed the Series 7 examination in August 2012.² RP 13, 293. He served as a general securities representative for six years and eight months until Morgan Stanley terminated his registration with the firm on April 26, 2019. RP 9, 288, 297-302. In the more than six years since then, Caltrider has not been registered as a general securities representative.³ RP 283-96.

From April 2019 to November 2024, Caltrider was associated with PKS, a FINRA member firm. RP 9, 287. According to the "Employment History" section in his CRD record, Caltrider worked in the position of a "Registered Representative." RP 11, 290. When PKS hired

¹ "RP ____" refers to the page numbers in the certified record filed by FINRA on June 3, 2025.

² According to the Central Registration Depository® ("CRD"), Caltrider also passed the Series 66 (uniform combined state law) examination in September 2012. RP 13, 293. In addition, Caltrider received an examination credit of the SIE (securities industry essentials) examination in October 2018; the Series 6 (investment company and variable contracts products representative) and the Series 63 (uniform securities agent state law) examinations in January 2023; and the Series 65 (uniform investment adviser law) examination in September 2023. RP 13, 293; *see also Exam Credit and Exam Validity*, <https://www.finra.org/registration-exams-ce/qualification-exams/exam-credit-validity> (explaining the scenarios in which FINRA grants examination credits) (last visited Aug. 13, 2025).

³ Since March 2025, Caltrider has been associated with Saxony Securities, Inc. ("Saxony"), a FINRA member firm, as an investment company and variable contracts products representative and a uniform securities agent state law representative in the states of Arizona, Oklahoma, and Texas. RP 286-87. Since April 2019, Caltrider also has been employed at Americana Partners, LLC, a registered investment advisory firm, as a managing member, a managing director, a founding partner, and a registered investment adviser representative in the state of Texas. RP 8, 11, 287, 290.

Caltrider in April 2019, it filed a Uniform Application for Securities Industry Registration or Transfer (“Form U4”), that Caltrider signed, registering him only as an investment company and variable contracts products representative and a uniform combined state law representative (Series 66) in multiple state jurisdictions. RP 71-111. While Caltrider was employed at PKS, he did not maintain a securities registration with any other broker-dealer. During the Relevant Period, PKS never filed an application on Form U4 to register Caltrider as a general securities representative.

B. PKS Requests an Examination Waiver for Caltrider That FINRA’s Department of Testing and Continuing Education Denies

On April 25, 2024, PKS applied to FINRA’s Department of Testing and Continuing Education (“Department”), requesting a waiver of the Series 7 examination on Caltrider’s behalf. RP 138-39. In its waiver request, PKS, among other things, stated that when it registered Caltrider in 2019, “instead of the series 7 exam being selected for registration . . . the series 6 was instead selected.” RP 139. PKS represented that Caltrider had been continuously employed at PKS, and that, through no fault of his own, Caltrider had not realized that his registration as a general securities representative “was not being properly held” until the Firm filed a Form U4 to register him as a general securities principal and discovered it. RP 139. Significantly, however, PKS also represented that it reviewed the business activities that Caltrider had engaged in for the Firm since he was hired in April 2019, and that Caltrider had engaged in “business that only required a S[eries]6” registration. RP 139.

On May 23, 2024, the Department denied the waiver request, finding that neither the information contained in CRD, nor the Firm’s representations, provided a basis for granting the Series 7 examination waiver. RP 17-18.

C. PKS Appeals, and the Waiver Subcommittee Affirms, the Department of Testing and Continuing Education’s Waiver Denial

On June 4, 2024, pursuant to FINRA Rule 9630, PKS, through its counsel, Stark & Stark, PC, appealed the Department’s denial of its waiver request.⁴ In its appeal letter, PKS argued that Caltrider qualified for a waiver of the Series 7 examination based on a purported registration filing error and his experience in the securities industry and related investment fields. RP 69.

On October 17, 2024, the Waiver Subcommittee affirmed the Department’s denial of the Firm’s waiver request and determined that Caltrider was required to requalify by examination before his registration as a general securities representative could be approved (“Appeal Decision”). RP 117-20. The Appeal Decision expressly stated that the Waiver Subcommittee’s determination constituted FINRA’s “final action” with respect to the matter. RP 120.

The Waiver Subcommittee determined that Caltrider did not qualify under the Waiver Guidelines for the Series 7 waiver based on a purported registration filing error because, among other things, PKS did not demonstrate with sufficient evidence its intention or attempt to register Caltrider as a general securities representative and have him engage in securities activities on the Firm’s behalf that required the Series 7 registration. RP 119; *see Qualification Exam Waivers and Exemptions*, <https://www.finra.org/registration-exams-ce/qualification-exams/exam-waivers-and-exemptions> (last visited Aug. 13, 2025) [hereinafter, “Qualification Exam Waivers and Exemptions”].

Regarding the Firm’s waiver request based on Caltrider’s experience, the Waiver Subcommittee further considered Caltrider’s overall securities industry and related investment

⁴ See RP 19-66 (initial notice of appeal letter with attachments); *see also* RP 67-114 (amended notice of appeal letter with attachments to include Firm contact information that FINRA requested related to the appeal).

field experience, including his years of service as a general securities representative and the years he was absent from serving in that registered capacity, and determined that the record failed to demonstrate Caltrider's current knowledge of the applicable securities laws and regulations and FINRA rules to warrant an exemption from FINRA's requirement that he requalify by examination. RP 118-19.

D. The Waiver Subcommittee Reconsiders and Reaffirms the Appeal Decision

On January 17, 2025, after the Waiver Subcommittee issued the Appeal Decision, Caltrider, through his counsel, Winstead PC, wrote a letter to FINRA, addressing "certain factual inconsistencies" in the record and attaching evidence that he claimed would have been previously presented but for a purported conflict of interest between Stark & Stark, PKS, and Caltrider.⁵ By this point, Caltrider was no longer associated with PKS or with any FINRA member firm. His association with PKS ended on November 15, 2024, and PKS filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") on November 18, 2024, fully terminating his registrations. RP 287, 293. The Waiver Subcommittee nonetheless accepted Caltrider's submission, construing it as a request to reconsider the Appeal Decision.

On April 17, 2025, after carefully reexamining the full record, the Waiver Subcommittee responded to Caltrider's reconsideration request. RP 323-28. The Waiver Subcommittee concluded that Caltrider's request largely collaterally attacked the Appeal Decision and repeated arguments PKS previously raised in support of the waiver request throughout the proceeding. RP 323-24. Concluding that none of the evidence Caltrider presented corrected an error of fact

⁵ RP 121-26 (initial submission made in December 2024 that FINRA did not accept due to an improper filing format); 127-282 (amended submission made in January 2025 accepted by FINRA in accordance with applicable filing instructions).

or law or advanced any novel arguments to reverse its determination, the Waiver Subcommittee reaffirmed the waiver request denial for all the reasons stated in the Appeal Decision. RP 323-328.

On April 22, 2025, Caltrider made another request that FINRA reconsider the Appeal Decision. RP 329-32. According to Caltrider, FINRA overlooked “certain evidence”—namely, purported “commissions” that Caltrider received while at PKS from Morgan Stanley, an unaffiliated non-employer, for what he claimed were for private placements offered by six alleged private equity funds that were never previously introduced into, or disclosed in, the record. RP 329-32. FINRA declined Caltrider’s second request to reconsider the Appeal Decision. RP 333. Caltrider thereafter filed this application for review with the Commission. RP 335-557.

III. SUMMARY OF THE ARGUMENT

FINRA’s qualification and examination rules, which were approved by the Commission, ensure that each registrant maintains the requisite level of knowledge and competency to engage in an investment banking or securities business. FINRA’s denial of the Firm’s request to waive Caltrider’s Series 7 examination requirement was based on grounds that exist in fact, in accordance with its rules, and consistent with the purposes of the Exchange Act.

Pursuant to FINRA Rule 1210.03, waivers of qualification examinations are permitted only in “exceptional cases and where good cause is shown.” FINRA gave PKS and Caltrider ample opportunities to demonstrate that the waiver request met that high standard, but they fell far short. Although PKS requested the Series 7 examination waiver based on an alleged registration filing error and Caltrider’s experience as a securities industry professional, the

Waiver Subcommittee carefully considered the full record, evaluated the applicable Waiver Guidelines, and properly found that neither ground merited the waiver.

Regarding the Firm's request for a waiver based on an alleged registration filing error, the record lacked sufficient evidence that a registration filing error occurred as contemplated under the Waiver Guidelines. PKS confirmed that it did not file an application to register Caltrider as a general securities representative when it hired him and that he was only engaged in a securities business at the Firm that required a Series 6 registration.

As to the Firm's request for a waiver based on Caltrider's experience, PKS and Caltrider failed to demonstrate with compelling evidence that Caltrider continuously maintained the necessary standards of knowledge and experience as a registered general securities representative without the need for him to first requalify by examination. It is undisputed that Caltrider was last registered as a general securities representative when his employment at Morgan Stanley ended in 2019, and he has not been registered in this capacity since then. The significant absence from working in a Series 7 registered capacity, along with Caltrider's overall industry-related experience, including his service as an investment company and variable contracts products and an investment adviser representative, did not satisfactorily show that an exemption from FINRA's examination requirements to serve as a general securities representative was warranted in this case.

Finally, the record shows that FINRA properly acted in accordance with its rules when evaluating the exemption request and applied those rules in a manner consistent with the Exchange Act. Caltrider has made no showing to the contrary. The Commission should uphold FINRA's denial of the waiver request and dismiss this appeal.

IV. ARGUMENT

Section 19(f) of the Exchange Act governs the Commission’s review in this case. 15 U.S.C. § 78s(f). For the reasons discussed below, the Commission should dismiss Caltrider’s application for review because: (1) the specific grounds upon which FINRA based its action exist in fact; (2) FINRA acted in accordance with its rules; (3) FINRA applied its rules in a manner consistent with the purposes of the Exchange Act; and (4) FINRA’s action imposes no undue burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. *Id.*

A. The Specific Grounds Upon Which FINRA Acted Exist in Fact

The basis for FINRA’s action exists in fact and is well supported by the evidentiary record. Any associated person of a FINRA member firm seeking to register as a general securities representative must take and pass the Series 7 qualification examination.⁶ *See* FINRA Rules 1210, 1220(b)(2)(B). “In exceptional cases and where good cause is shown,” however,

⁶ As an initial matter, Caltrider was required to pass the Series 7 qualification examination because his prior Series 7 registration terminated more than two years before. Specifically, Caltrider was last registered as a general securities representative on April 26, 2019, when he ceased his association with Morgan Stanley. RP 9, 288, 297-302. Caltrider had two years from that point—until April 26, 2021—to register as a general securities representative before his window to register without having to requalify by examination would close. *See* FINRA Rule 1210.08; *see also* RP 297-98 (stating in Morgan Stanley’s Form U5 that Caltrider’s termination date as a general securities representative, April 26, 2019, is the date that FINRA uses “to determine whether an individual is required to requalify by examination or obtain an appropriate waiver upon reassociating with another firm”). Contrary to Caltrider’s suggestion otherwise, Br. at 13, the two-year grace period did *not* extend Caltrider’s registration as a general securities representative. When Morgan Stanley terminated his Series 7 registration, Caltrider was required to “cease all activities” as a general securities representative and was “prohibited from performing any duties and functioning in any capacity requiring [Series 7] registration.” FINRA Rule 1240(a)(2).

FINRA may waive the qualification examination “and accept other standards as evidence of the applicant’s qualifications for registration.” FINRA Rule 1210.03.

The FINRA Rule 9600 Series governs the process by which members may seek exemptive relief from FINRA’s qualification examination requirements. FINRA will only consider waiver requests submitted by the sponsoring member firm on behalf of an individual associated with the member. FINRA Rules 1210.03, 9610(a) and (c). A member firm’s request must be in writing and include a detailed statement of the grounds for the waiver. FINRA Rule 9610(b). FINRA examines the merits of a waiver request based on the high standard set forth in FINRA rules and the Waiver Guidelines.⁷

Thus, the burden fell squarely on PKS, as Caltrider’s employing firm that requested the waiver, to demonstrate that there is an exceptional case for a waiver of the Series 7 examination. *See* FINRA Rule 1210.03. PKS sought the Series 7 waiver based on two grounds: an alleged registration filing error and Caltrider’s relevant securities industry experience. RP 69. As we explain below, the record fully supports the Waiver Subcommittee’s determination that neither ground warranted the waiver.

⁷ The Waiver Guidelines comprise of a non-exhaustive list of relevant factors to assist member firms in recognizing situations when good cause may exist for requesting an examination waiver. *See Qualification Exam Waivers and Exemptions; see also Notice of Filing and Immediate Effectiveness of a Proposed Rule Change and Amendment No. 1 Thereto by the National Association of Securities Dealers, Inc. to Amend the Rule 9600 Series*, Exchange Act Release No. 50099, 2004 SEC LEXIS 1647, at *8 (July 27, 2004) (recognizing the Waiver Guidelines as relevant factors to consider as solid grounds for an examination waiver).

1. FINRA Properly Followed the Waiver Guidelines Related to a Registration Filing Error in Denying the Examination Waiver Request

An examination waiver based on a registration filing error is narrow and specific. The Waiver Guideline applicable to a registration filing error provides that FINRA may grant an examination waiver to an individual who has been functioning in good faith as a firm representative, but whose registration, for reasons related to the filing of the appropriate application form, is not reflected in CRD.⁸ FINRA may waive the applicable examination provided that the employing member firm documents the nature of the filing error and confirms that the individual in good faith has been engaged in the applicable securities business during the period the registration was not reflected in CRD.⁹

a. PKS Failed to Demonstrate That a Registration Filing Error Occurred

The Waiver Subcommittee properly determined, based on the evidence, that PKS did not sufficiently demonstrate it made a registration filing “error.” RP 119. As stated above, a filing error occurs in the rare instance when the sponsoring FINRA member firm files with FINRA a completed application for registration on the Form U4, but for some reason related to the firm’s filing submission, the requested registration was not reflected in CRD. *See Qualification Exam Waivers and Exemptions; see also, e.g., James Lee Goldberg*, Exchange Act Release No. 66549, 2012 SEC LEXIS 762, at *16 n.17 (Mar. 9, 2012) (explaining that, in a typical filing error case, a member firm either incorrectly files the application form and thus the registration is not reflected in CRD or files an incomplete application that is eventually purged from the CRD system). In

⁸ *See Qualification Exam Waivers and Exemptions.*

⁹ *Id.*

such a case, a member firm can confirm the submission of the Form U4, and any deficiency messages received. The member firm then can submit as part of its waiver request this documentation of the filing error.

Here, PKS stated in its appeal letter that, when Caltrider was hired in April 2019, “due to a registration filing error” his Series 7 registration “was not appropriately renewed and subsequently lapsed.” RP 69. PKS further represented that Caltrider “ha[d] been working in good faith as a representative of” the Firm and Americana Partners, an investment manager and financial planner, “from April 2019 to the present,” and he did not become aware that his Series 7 license had lapsed until the Firm applied for him to take the Series 24 examination in 2024. RP 69-70. PKS also submitted a copy of Caltrider’s Form U4, CRD “Exam Information,” his S-101 continuing education (“CE”) course history, and a “Regulatory Element of Continuing Education S101 Program” session result form dated November 23, 2020, as the Firm’s “record” of its purported registration filing error. RP 69-114.

The evidence PKS provided, however, did not show a filing error. Although PKS claimed that Caltrider’s registration lapsed due to an oversight, *see* RP 139, it never represented, nor provided any evidence, that it employed Caltrider to have him serve as a general securities representative. RP 119. Rather, PKS represented—and the documents it submitted confirmed—that the Firm never filed an application on Form U4 to register Caltrider as a general securities representative and that Caltrider had been engaged in a securities business at the Firm *only* as a registered investment company and variable contracts products representative. RP 69-70, 75-77, 114, 139. Caltrider’s CRD record also confirmed this. RP 9. The Firm admitted that it inadvertently did not select the Series 7 registration category on Caltrider’s Form U4. RP 69, 139. But that decision alone does not demonstrate a registration filing error.

In addition, the Waiver Subcommittee was unpersuaded by the Firm’s representation in its waiver request that Caltrider had not known about his deficient registration status as a general securities representative until PKS attempted to register him as a general securities principal in 2024. RP 70, 139. Caltrider signed the Form U4 that PKS submitted to FINRA to register him on April 6, 2019. RP 87. And in doing so, he certified to FINRA that he read and understood all “items and instructions” in the form, including the registration categories that *he* consented to applying for. RP 87. Caltrider also certified that all information provided on the Form U4 was “true and complete.” RP 74, 78, 87. And since the initial Form U4 was filed, PKS had submitted several amendments to the Form U4 to FINRA that confirmed Caltrider was registered as a Series 6, and not Series 7, representative. RP 14.

Moreover, the Waiver Subcommittee correctly concluded that five years and five months between the purported registration filing error in April 2019 and the issuance of the Appeal Decision in October 2024 was inconsistent with the requisite reasonable diligence necessary to grant the Series 7 examination waiver based on a registration filing error. RP 119; *see also How to Register with FINRA*, <https://www.finra.org/registration-exams-ce/manage-your-career/how-register-finra> (last visited Aug. 13, 2025) (emphasizing the importance of updating an individual’s registration status in a “timely manner” when information in CRD is inaccurate or incomplete) [hereinafter, *How to Register with FINRA*]. Thus, the record demonstrated that, since April 2019, PKS and Caltrider knew or should have known that he was not registered as a general securities representative.¹⁰ *See, e.g., Thomas C. Kocherhans*, 52 S.E.C. 528, 531 (1995)

¹⁰ Caltrider claims in his brief that his Series 7 registration “expired as a result of a clerical error made by PKS.” Br. at 8. This is incorrect. Caltrider’s Series 7 registration terminated when his employment at Morgan Stanley ended in April 2019. His registration lapsed when he [Footnote continued on next page]

(“Participants in the securities industry must take responsibility for compliance with regulatory requirements and cannot be excused for lack of knowledge, understanding or appreciation of these requirements.”).

[cont’d]

had not registered as a general securities representative at PKS, or any other registered broker-dealer, within the two-year window. *See* FINRA Rules 1210.08, 1240(a)(2).

Later in his brief, Caltrider blames FINRA for continuing to reflect that he was “Series 7 registered in the CRD” until April 2024 and claiming that “FINRA’s error in the CRD concealed the clerical error made by PKS for five years.” Br. at 11-12. But Caltrider provides no evidentiary support for his self-serving statements. And according to Caltrider’s CRD record, every amendment to Form U4 that PKS filed with FINRA—and that Caltrider certified—plainly indicated that he was registered as a Series 6 (and not Series 7) representative. RP 14-15, 293-94.

Even if PKS had intended to register Caltrider as a general securities representative in 2019, which the record does not support, PKS (and Caltrider) failed to recognize this failure for more than five years. FINRA provides ample notices to its members and associated persons about their responsibility to keep their CRD record current. *See, e.g., Manage Your Securities Industry Career*, <https://www.finra.org/registration-exams-ce/manage-your-career> (last visited Aug. 13, 2025) (instructing on “Reviewing and Updating Your Information with FINRA”); *Individual Registration*, <https://www.finra.org/registration-exams-ce/individuals> (explaining that “[m]ember firms must register associated persons by filing a Form U4” and “[f]irms and registered individuals have a continuing obligation to update or amend Form U4 no later than 30 days after learning of the facts or circumstances giving rise to the amendment”) (last visited Aug. 7, 2025); *How to Register with FINRA* (explaining the importance of updating CRD information and emphasizing that a only member firms can update Forms U4 and U5).

In any event, the Commission has soundly established that it is PKS and Caltrider’s—and not FINRA’s—responsibility to know their compliance obligations as a FINRA member and an associated person, including one’s appropriate registration status. *Cf. Goldberg*, 2012 SEC LEXIS 762, at *18 n.20 (requiring registered persons to be familiar with all applicable FINRA rules and cannot shift their burden of compliance to FINRA); *Hans N. Beerbaum*, Exchange Act Release No. 55731, 2007 SEC LEXIS 971, at *19 n.22 (May 9, 2007) (finding that members and their associated persons may not shift their obligation to comply with regulatory requirements to FINRA); *B.R. Stickle & Co.*, 51 S.E.C. 1022, 1025 (1994) (same).

b. PKS Provided No Documentation of Its Attempt to Register Caltrider as a General Securities Representative

PKS also provided no documentation of its attempt to file, or its filing of, an application on a Form U4 approving Caltrider's registration as a general securities representative.¹¹ The evidence PKS submitted was not documentation of "the nature of [a] filing error." Rather, the evidence confirmed that, when Caltrider joined PKS in April 2019, PKS registered him in only two capacities: as an investment company and variable contracts products representative and a "broker-dealer agent (AG)" for multiple state jurisdictions. RP 75, 77. PKS could have, but did not, select the "GS – Full Registration/General Securities Representative (S7TO)" category on the Form U4 for Caltrider. RP 75. Therefore, the Waiver Subcommittee properly determined that PKS did not, as required by the Waiver Guidelines, document a registration filing error. RP 119; *see also Qualification Exam Waivers and Exemptions.*

¹¹ Contrary to Caltrider's assertion otherwise, PKS never stated that it attempted to register Caltrider as a general securities representative when it hired him. Br. at 11. Moreover, no such Form U4 or other documentation of such an attempt exists in the record. Thus, the Waiver Subcommittee had no grounds under the Waiver Guidelines to waive the Series 7 examination based on a registration filing error, which is reserved for an extraordinary circumstance that did not apply here. In his brief, Caltrider claims that Americana Partners and Dynasty Financial Partners, LLC ("Dynasty"), an unaffiliated, non-FINRA member that provides back-office support to Americana Partners, "admit the error." Br. at 11. But neither of these entities is a FINRA member and neither was Caltrider's employing member firm responsible for registering him with FINRA in the category appropriate to his job functions or submitting a subsequent waiver request. *See* FINRA Rule 1210.03 ("FINRA shall only consider waiver requests submitted by a member for individuals associated with the member who are seeking registration in a representative . . . registration category."). Indeed, the member firm that was responsible for Caltrider's registration requirement, and any exemption thereto, was PKS. *See id.*; FINRA Rule 9610(c) ("A member that files an application under this Rule is referred to as 'Applicant' hereinafter in the Rule 9600 Series.").

c. PKS Failed to Demonstrate that Caltrider Functioned, in Good Faith, as a General Securities Representative

The Waiver Subcommittee also correctly found that PKS failed to show that, notwithstanding its purported filing error, Caltrider in good faith continuously functioned as a general securities representative on behalf of PKS since April 2019. RP 119. To support its claim that Caltrider “maintain[ed] the Series 7” after his registration terminated, PKS submitted a copy of Caltrider’s CE course history and a session result form in 2020 that described his job as “Series 7 Retail Sales.” RP 70, 112-13. But, as the Waiver Subcommittee properly concluded, the CE courses Caltrider completed were required to maintain his active Series 6 registration.¹² RP 119. And a designation on the CE session result form that Caltrider independently self-selected¹³ was neither probative of an “error” that PKS made in registering him nor evidence that Caltrider was performing any continuing duties or job functions as a general securities representative for PKS. RP 119. Caltrider’s CE course history and session result form also did not negate the other dispositive evidence that plainly showed Caltrider was not registered as a general securities representative and acting in that capacity for PKS, including that (1) PKS did not select the Series 7 registration on the Form U4 (or any subsequent amendments to the Form

¹² Compare RP 113 (Caltrider’s CE courses completed in 2023 and 2024), with RP 303-14 (reflecting in FINRA’s 2023 and 2024 Regulatory Element Learning Plans an overlap of required representative-level CE courses assigned to both general (i.e., Series 7) and limited sales (e.g., Series 6) representatives). In his brief, Caltrider argues that his completion of CE courses and paying registration fees to FINRA evidenced that “his Series 7 was current.” Br. at 12. Those actions, however, did no such thing. The Waiver Subcommittee rejected, as should the Commission here, any attempt to equate Caltrider’s CE obligations to maintain his registration as an investment company and variable contract products representative to him engaging in a securities business as a general securities representative for PKS.

¹³ See *FINRA Content Outline for the S101 Regulatory Element Program*, RP 315-21 (explaining that the CE learning plan for representative-level examinations (S-101) includes “Module D: Personalized Cases” that “participants select”—and not FINRA—from among seven registration categories, including “Series 7 Retail Sales”).

U4); and (2) PKS expressly represented in its waiver request to FINRA that Caltrider only engaged in securities business for the Firm that required a Series 6 registration.¹⁴ RP 139.

In sum, the evidence fell far short of demonstrating that a registration filing error occurred, the Firm documented such error, or that Caltrider in good faith worked as a general securities representative at PKS (a category of securities business that PKS disclaimed in its waiver request) while his registration was not reflected in CRD. The Commission should affirm the Waiver Subcommittee's findings that Caltrider does not qualify for the Series 7 waiver based on a registration filing error.

2. FINRA Properly Followed the Waiver Guidelines Regarding Caltrider's Experience in Denying the Examination Waiver Request

PKS also requested a waiver of the Series 7 examination for Caltrider based on his experience in the securities industry and investment-related fields. The applicable Waiver Guideline instructs the Waiver Subcommittee to weigh several factors to determine whether to grant an examination waiver on this ground, including:

- the length and quality of the individual's securities industry experience;
- the specific registration requested and the type of business to be conducted in relation to the individual's experience;
- the applicant's previous registration history;
- the nature of the applicant's disciplinary, regulatory and criminal history; and

¹⁴ In his brief, Caltrider asserts that PKS employed and paid him to serve as a Series 7 representative. Br. at 11. But as we discuss fully in Part IV.A.3. below, the record does not support that PKS employed Caltrider to engage in the Firm's securities business as a general securities representative.

- other examinations taken by the applicant, such as those for a certified financial planner or a chartered financial analyst designation.¹⁵

An examination waiver based on an individual’s experience, like the other factors under the Waiver Guidelines, is reserved only for “exceptional” cases and “where good cause is shown.”¹⁶ The Waiver Subcommittee, after considering the merits, properly found that Caltrider’s experience was not an exceptional case that justified accepting other standards as evidence of his qualification to register as a general securities representative in lieu of him passing the Series 7 examination. RP 117-20.

The Waiver Subcommittee specifically considered Caltrider’s securities industry experience, his previous registration history as a general securities representative that spanned six years and eight months, and that Caltrider had not been registered as a general securities representative for five years and five months when the Appeal Decision was issued in October 2024. RP 118. The Waiver Subcommittee found that Caltrider’s substantial absence from serving as a general securities representative did not adequately assure FINRA that he currently possessed the same level of proficiency in the essential job functions required of a general securities representative as does passing the Series 7 examination. RP 118.

By comparison, FINRA has denied examination waiver requests for individuals who had even *shorter* absences from serving in registered capacities. For example, the Commission in a previous decision affirmed FINRA’s finding that requalification by examination was necessary when an applicant had not functioned in the requested registered capacity for approximately two

¹⁵ See *Qualification Exam Waivers and Exemptions*.

¹⁶ *Id.*

and a half years. *See Gina Guzzone*, 57 S.E.C. 592, 599 (2004). In another case, the Commission agreed with FINRA that, “[g]iven the public interest in ensuring that registered representatives are knowledgeable and competent in the products they sell,” the applicant was required to requalify by examination after four years had passed since he last served as a general securities representative. *Michael Stegawski*, Exchange Act Release No. 59326, 2009 SEC LEXIS 216, at *24 (Jan. 30, 2009).

In affirming FINRA’s denial of the waiver request in *Stegawski*, the Commission reasoned that “to conclude that, in that time, there have been changes to the securities laws and regulations with which [the applicant] should become familiar.” *Id.* at *23. Here, the importance of requalification by examination is even more pronounced because, at the time the Appeal Decision was issued, Caltrider had not been a registered general securities representative for an even longer period, approximately five years and five months. And Caltrider has not registered as a general securities representative since the Appeal Decision. Thus, given the extended time that elapsed since he was last registered, the Waiver Subcommittee properly concluded that the record failed to adequately demonstrate Caltrider’s continuous breadth of experience with the wide range of products that the Series 7 examination would qualify him to sell without him first requalifying by examination. RP 118-19.

The Waiver Subcommittee also considered Caltrider’s other industry-related experience since his Series 7 registration terminated, including his roles and responsibilities as an investment company and variable contracts products representative and an investment adviser representative. RP 70. The Waiver Subcommittee correctly found that his securities activities and products sold in those registered capacities, which were more limited, did not outweigh the

need for him to demonstrate his competency in the broad range of securities activities performed, and products sold, by a Series 7 representative. RP 118.

For example, the investment company and variable contracts products registration limits to five the types of securities products that Caltrider can solicit, purchase, and/or sell.¹⁷ And the Series 65, a state examination developed by the North American Securities Administrators Association (NASAA), qualifies Caltrider to provide only investment advice or analysis about securities to retail and institutional clients as a registered investment adviser representative.¹⁸ But registration as a general securities representative would permit Caltrider to engage in a full range of brokerage activities and to solicit, purchase, and sell *all* securities products.¹⁹ Thus, the Waiver Subcommittee properly concluded that Caltrider's experience in these other roles, albeit industry-related, did not rise to an exceptional case to warrant granting him the Series 7 examination waiver.²⁰ RP 118-19. The Commission should affirm the Waiver Subcommittee's

¹⁷ See *Permitted Activities of Registered Representatives*, <https://www.finra.org/registration-exams-ce/qualification-exams/permitted-activities-registered-representatives> (last visited Aug. 13, 2025) [hereinafter, *Permitted Activities of Registered Representatives*].

¹⁸ See *NASAA Series 65 Exam Content Outline*, <https://www.nasaa.org/exams/general-exam-information/series-65-exam-content-outline/> (last visited Aug. 21, 2025).

¹⁹ See *Permitted Activities of Registered Representatives*; see also *Stegawski*, 2009 SEC LEXIS 216, at *19 (explaining that each qualification examination for securities registration is separate and distinct).

²⁰ In his brief, Caltrider references the commission statements he submitted as part of his reconsideration request to argue he had 12 years of experience as a general securities representative. Br. at 13. But, as we discuss in Part IV.A.3., the commission statements do not demonstrate his experience as a Series 7 representative. And mere references to statements reflecting compensation received from a previous employing member firm do not evidence Caltrider's uninterrupted experience with the broad range of securities products and activities that the Series 7 registration qualifies an individual to sell to warrant the examination waiver.

determination that Caltrider does not qualify for the Series 7 waiver based on his securities industry and related investment field experience.

3. Caltrider’s Request for Reconsideration Corrected No Error of Fact or Law Required to Reverse FINRA’s Waiver Denial

In January 2025, months after PKS no longer employed him and while he was not employed by any FINRA member firm, RP 286, 290, 293, Caltrider, through his own counsel, sought reconsideration of the Appeal Decision.²¹ RP 127-282. Caltrider asked FINRA to address “certain factual inconsistencies” in the record and consider newly submitted evidence that was “highly relevant” to the matter and that “would have been presented but for [a] conflict of interest” between Caltrider, PKS, and the Firm’s counsel. RP 128. Out of an abundance of caution, the Waiver Subcommittee reconsidered the full record in view of Caltrider’s request and reaffirmed the Appeal Decision because Caltrider offered no compelling grounds to overturn it.

“Reconsideration is an ‘extraordinary’ remedy” that is “granted only in exceptional cases.” *Edward M. Daspin*, Exchange Act Release No. 82836, 2018 SEC LEXIS 689, at *3 (Mar. 8, 2018). Reconsideration is “designed to correct manifest errors of law or fact or permit the presentation of newly discovered evidence . . . the movant could not have known about or adduced before” the decision. *Steven Altman, Esq.*, Exchange Act Release No. 63665, 2011 SEC LEXIS 30, at *3 (Jan. 6, 2011) (citations and internal quotation marks omitted). Accordingly, the Waiver Subcommittee reviewed Caltrider’s reconsideration request under this narrow standard.

²¹ By the time the Waiver Subcommittee responded to Caltrider’s reconsideration request in April 2025, Caltrider had associated with a different broker-dealer, Saxony. RP 286, 290, 293. Although Saxony has applied to register Caltrider as a general securities representative, it has not requested an examination waiver on Caltrider’s behalf and had no part in the waiver request that PKS, as the “Applicant,” initiated. *See* FINRA Rules 1210.03, 9610(c).

Caltrider's request for reconsideration did not correct a manifest error of law or fact. And, with one limited exception that we discuss herein, Caltrider largely impermissibly attacked the factual findings and conclusions in the Appeal Decision or reiterated arguments that the Waiver Subcommittee already addressed in the Appeal Decision. RP 323-24. For example, Caltrider complained, and reargues in his brief, that FINRA made a "factual error" in stating that Caltrider's registration terminated in April 2019 without accounting for the "two-year grace period" that exists after leaving a member. RP 122; *see also* Br. at 13. FINRA made no such error, and his understanding of FINRA rules is incorrect. As explained above, FINRA rules require requalification by examination after a two-year lapse in registration occurs. At the time the Appeal Decision was issued, Caltrider had not been registered as a general securities representative for five years and five months.²²

Other evidence that Caltrider submitted for reconsideration was either not novel or irrelevant. For example, Caltrider resubmitted his Form U4, CE session result form, and CE course information to reargue that he in good faith believed he was registered. RP 123, 141-181, 281-82. But these documents were already in the record and were addressed in the Appeal Decision. RP 71-114. Caltrider "may not simply reiterate arguments previously made." *Adam Strege*, Exchange Act Release No. 102412, 2025 SEC LEXIS 460, at *1 (Feb. 13, 2025); *see also Daspin*, 2018 SEC LEXIS 689, at *4 (denying reconsideration when respondent identified no new evidence or issue that was not previously raised causing the Commission to reconsider its decision).

²² *See infra* n.6.

Caltrider also introduced an internal email by a PKS senior compliance officer, dated May 30, 2024, and a December 30, 2024 letter from Dynasty to attempt to rebut the Waiver Subcommittee’s determination that *PKS*—i.e., the waiver applicant and FINRA member firm sponsoring Caltrider’s registration—neither represented nor provided evidence of its intention or attempt to have Caltrider serve as a general securities representative when it hired him. RP 124, 136-37, 140.

Both documents, however, were immaterial to the Waiver Subcommittee’s reconsideration of the waiver request. The internal email—created more than five years after PKS had hired Caltrider and the purported filing error—at best, theorized in retrospect about why Caltrider had not continued his Series 7 registration. RP 140. But the email did not address Caltrider’s experience or job responsibilities at the Firm, nor serve as documentation of a purported error that PKS made to its filing submission.²³ Likewise, the letter by Dynasty had no probative value or relevance to the Firm’s waiver request because it was written well *after* the Appeal Decision had been issued and Dynasty was not the “Applicant” member firm requesting the waiver. FINRA Rule 1210.03, 9610(c); *see also Chris Woessner*, Admin. Proc. File No. 3-10607, 2002 SEC LEXIS 3469, at *3 (Dec. 30, 2002) (denying reconsideration and determining that the “admissibility or relevance of proffered evidence is with the sound discretion” of the adjudicator).

Regarding his activities since 2019, Caltrider restated his experience as a registered investment company and products representative and an investment adviser representative. RP

²³ While the PKS senior compliance officer alluded to an “error” being made due to “haste” and “duress” that “may have . . . been . . . involved” with Caltrider’s registration, RP 140, his explanation is inconsistent with the several amendments PKS made to Caltrider’s Form U4 that never corrected his registration status since he was hired in April 2019.

123. But the Waiver Subcommittee already had considered and addressed Caltrider's securities industry experience in the Appeal Decision; thus, his "repackaged arguments [] provide[d] no basis for reconsideration." *Eric J. Brown, et. al.*, Exchange Act Release No. 66752, 2012 SEC LEXIS 1127, at *6 (Apr. 5, 2012); *see also, e.g., Little v. United States*, 2015 U.S. Dist. LEXIS 66392, at *9 (N.D. W. Va. May 21, 2015) (denying reconsideration and finding it inappropriate to file such a petition "to ask the Court to rethink what the Court had already thought through—rightly or wrongly").

Caltrider also claimed on reconsideration that he has "continuously" sold all the products the Series 7 qualifies a registrant to sell, referencing commission statements that he claimed proved "his work as a general securities representative." RP 124, 130, 182-280; *see also* Br. at 5. But, as the Waiver Subcommittee explained in its response to Caltrider's reconsideration request, RP 324 n.3, an in-depth review of the commission statements reflected that Caltrider primarily received commissions for hundreds of sales transactions of certain mutual funds, variable annuities, fixed annuities, 529 plans, term life direct, and 12b-1 fees, which were identified in the statements by security description, issuer name, and share price, and all of which necessitated only a Series 6 registration. RP 182-280.

Therefore, the commission statements supported the Firm's prior representation to FINRA that Caltrider engaged in securities business on behalf of PKS that "only required a S[eries] 6," rather than a Series 7 registration. RP 139. The commission statements also reflected the Firm's intent when filing his Form U4, and subsequent amendments thereto, that it sought to register Caltrider as an associated person of PKS to perform duties requiring an

investment company and variable contract products representative registration.²⁴ The commission statements were not documentation of the nature of the Firm's registration filing error, as the Waiver Guidelines require. RP 122, 124; *see also Qualification Exam Waivers and*

²⁴ On April 22, 2025, Caltrider's counsel responded to the Waiver Subcommittee's denial of reconsideration by citing pages of his commission statements where Morgan Stanley is mentioned, and listing six random fund names to argue that FINRA overlooked the fact he was "paid for private placements offered by private equity funds from Morgan Stanley" while PKS employed him. RP 329; *see also* Br. at 6 ("PKS paid Caltrider commissions for no fewer than six separate private placements offered by private equity funds from Morgan Stanley, including North Haven Capitals VI, PECO- Private Equity Co-Investment Opportunities, PE Premier BCP VII, Blackstone Real Estate Debt Strategies III, BX Tac Opps II, and Blackstone Energy Partners II."). But none of the commission statements identified any of those funds by name or even categorized the funds under a broader classification such as "private equity fund" or "private placement." *See* RP 182-280.

In any event, because the six funds were never introduced into, nor included as part of, the record, the Commission should not consider them here. *See Anthony K. Barkate*, 57 S.E.C. 488, 498 n.22 (2004) (rejecting request to adduce additional evidence when evidence could have been introduced before the NASD but was not), *aff'd*, 125 Fed. Appx. 892 (9th Cir. 2005). It was the Firm's burden to demonstrate that Caltrider met the factors warranting a waiver of the Series 7 examination. And FINRA gave PKS (and Caltrider) multiple opportunities to do just that (the initial waiver request, the appeal to the Waiver Subcommittee, and Caltrider's petition for reconsideration). Caltrider could have provided the names and transaction details of these purported funds previously when the Waiver Subcommittee accepted to review his reconsideration request. But he declined to do so. *See, e.g.*, RP 130 (stating only, "Further proof of this intention are the reports on the commissions paid by PKS to Mr. Caltrider each month for his work as a general securities representative of PKS.").

Moreover, the line items on his commission statements indicate that Caltrider was receiving payments from Morgan Stanley identified under the headers of "Referral Fee," "Recurring and Manual Adjustments," or "Credit And Debit Adjustments." *See, e.g.*, RP 404, 406, 408. The record does not indicate, however, why Caltrider was being compensated by Morgan Stanley or when Caltrider performed the work that generated such compensation. Nevertheless, this is insufficient evidence that Caltrider, in good faith, was acting in the capacity of a general securities representative under the supervision of his sponsoring firm, PKS, notwithstanding the Firm's purported error to his registration, or sufficient evidence of his experience as such. *See, e.g.*, RP 205 (describing under "Recurring and Manual Adjustments" that Caltrider received "Morgan Stanley Gross Revenue" of \$1,626.34, but not linking such payment to a specific trade requiring the Series 7 registration). The receipt of obscure, residual payments from a non-employing member firm does not constitute an exceptional case necessary to warrant the Series 7 examination waiver.

Exemptions. Nor did the commission statements reflect that Caltrider had engaged in activities as a general securities representative on behalf of PKS while his registration was not reflected in CRD. RP 124; *see also Qualification Exam Waivers and Exemptions.* The Waiver Subcommittee thus correctly determined that, after reevaluating the record once again and for all the reasons stated in the Appeal Decision, this was not an exceptional case meriting the Series 7 examination waiver.

* * *

In sum, FINRA based its decision to deny the examination waiver request on specific grounds that “exist in fact,” and thus has complied with this prong of Section 19(f) of the Exchange Act.

B. FINRA’s Denial of the Examination Waiver Request Was in Accordance with Its Rules

FINRA’s denial of the examination waiver request made on Caltrider’s behalf was rendered in accordance with FINRA’s rules. As stated above, the FINRA Rule 9600 Series sets forth the procedures for a member firm seeking exemptive relief as permitted under, in relevant part, FINRA Rule 1210. In addition, FINRA Rule 1210.03 provides:

Pursuant to the Rule 9600 Series, FINRA may, in exceptional cases and where good cause is shown, waive the applicable Qualification Examination and accept other standards as evidence of an applicant’s qualifications for registration. Age or disability will not individually of themselves constitute sufficient grounds to waive a qualification examination. Experience in fields ancillary to the investment banking or securities business may constitute sufficient grounds to waive a qualification examination.

Moreover, the Waiver Guidelines instructs member firms on the appropriate process to follow when requesting an examination waiver.

FINRA followed these procedures when reviewing the examination waiver request for Caltrider. Consistent with FINRA Rule 9620, the Department issued a written decision, dated May 23, 2024, that denied the Firm's waiver request. RP 17-18. The Department's decision letter provided PKS notice of its appeal rights, stating that any appeal should be submitted in accordance with FINRA Rule 9630 within 15 days to FINRA's Office of General Counsel. RP 17. Once PKS submitted a timely appeal, FINRA's Office of General Counsel gave the Firm notice that the Waiver Subcommittee would review the merits of the waiver appeal based on the representations in its appeal letter, its attachments, and any information contained in CRD, and gave PKS extended time to provide any additional arguments or supplemental materials. RP 115; *see also* FINRA Rule 9630(a). FINRA's Office of General Counsel communicated to PKS the Waiver Subcommittee's Appeal Decision, dated October 17, 2024, which affirmed the Department's denial of the waiver request. RP 117-20; *see also* FINRA Rule 9630(e).

FINRA also afforded Caltrider more process than FINRA's rules require. FINRA's rules do not contemplate or require that the Waiver Subcommittee reconsider a final decision that was properly issued in accordance with the rules. *See* RP 120; *see also* FINRA Rule 9630(e)(2) (providing that the Appeal Decision shall constitute final action by FINRA with respect to the matter). The Waiver Subcommittee nevertheless reevaluated its decision, upon Caltrider's request for reconsideration. RP 122. On April 17, 2025, FINRA's Office of General Counsel provided to Caltrider the Waiver Subcommittee's written response, which reaffirmed the denial of the waiver request. RP 323-28. FINRA's action is the product of procedural fairness and satisfied the standard for reviewing examination waiver requests. *See Goldberg*, 2012 SEC LEXIS 762, at *24-26 (finding that FINRA complied with its notice and procedural requirements in denying the examination waiver request).

Caltrider contends that FINRA's review of the waiver request was not in accordance with its rules because FINRA ignored or misconstrued all the facts presented by PKS, Americana Partners, Dynasty, and Caltrider. Br. at 15. His contention is a criticism of the Waiver Subcommittee's decision. That Caltrider did not obtain the outcome he wanted or expected, however, does not refute the fact that FINRA acted in accordance with its rules. *Steven Robert Tomlinson*, Exchange Act Release No. 73825, 2014 SEC LEXIS 4908, at *27-28 (Dec. 11, 2014). His claim, moreover, is unsupported by the record. The record demonstrates that FINRA provided PKS and Caltrider with ample opportunity to adduce evidence in support of the examination waiver request on appeal and reconsideration. As fully supported by the record, the Waiver Subcommittee applied FINRA's rules and the Waiver Guidelines with sound judgment.

FINRA's denial of the waiver request was in accordance with FINRA's applicable rules and procedures, thus complying with the second prong of Section 19(f) of the Exchange Act.

C. FINRA Applied Its Rules in a Manner Consistent with the Purposes of the Exchange Act and Imposed No Undue Burden on Competition

The Waiver Subcommittee properly applied FINRA's rules in a manner consistent with the purposes of the Exchange Act in denying the waiver and requiring that Caltrider pass the general securities representative qualification examination. Section 15A(g)(3)(B) of the Exchange Act requires that no associated person may transact a securities business of a member firm without being registered with FINRA. 15 U.S.C. § 78o-3(g)(3)(B). Section 15(b)(7) of the Exchange Act authorizes the Commission to regulate persons associated with a broker-dealer by establishing qualification standards. 15 U.S.C. § 78o(b)(7). Among such standards, Exchange Act Rule 15b7-1 requires associated persons, like Caltrider, to "pass[] any required examinations" established by the rules of a self-regulatory organization ("SRO"). 17 C.F.R. § 240.15b7-1.

In discussing the need for Rule 15b7-1, the Commission emphasized that “SRO qualification of associated persons of broker-dealers is of substantial importance in promoting compliance with the substantive requirements of the federal securities laws,” that the Commission principally relies on SROs “in the formulation and administration of qualification standards, subject to [its] review and oversight,” and that requiring compliance with such standards advances “investor protection.” *Requirement of Broker-Dealers to Comply with SRO Qualification Standards*, Exchange Act Release No. 32261, 1993 SEC LEXIS 1152, at *4-5, 7 (May 4, 1993).

FINRA’s qualification rules and review process for examination waiver requests further the Commission’s statutory mandate. FINRA’s rules have long established that examination waivers would be granted only in “exceptional cases and where good cause is shown.” FINRA Rule 1210.03. The Waiver Subcommittee properly found that Caltrider’s case was not exceptional, and the Firm and he, on reconsideration, failed to demonstrate good cause that would warrant FINRA granting a waiver of the Series 7 examination.

In previous similar cases when the Commission upheld FINRA’s determinations that the applicant member firm has failed to meet its burden under FINRA’s rules and the Waiver Guidelines to obtain an examination waiver, the Commission determined that FINRA’s actions were consistent with the purposes of the Exchange Act. In *Goldberg*, for example, FINRA denied an applicant’s request for a waiver of the Series 79 (investment banking representative) qualification examination based on an alleged registration filing error and the applicant’s securities industry experience. 2012 SEC LEXIS 762, at *12. Goldberg had been registered as a general securities representative for approximately eleven years, but he never registered in the requested capacity as an investment banking representative. *Id.* at *21-22. Goldberg had

claimed his employing firm deprived him of the opportunity to opt-in and register as an investment banking representative due to a filing error. *Id.* at *17.

In affirming FINRA’s denial of the examination waiver, the Commission found that Goldberg was ineligible for a “filing error” waiver because the evidence revealed that (1) he was aware of his unregistered status, (2) there was no evidence of any intention to register Goldberg as an investment banking representative, and (3) the record lacked evidence that, during the opt-in period, Goldberg could have in good faith been functioning on behalf of his employing firm as an investment banking representative. *Id.* at *16-18. In addition, the Commission agreed with FINRA that Goldberg failed to demonstrate that his securities industry experience, including his service as a general securities representative for eleven years, “presented an exceptional case to waive the Series 79 examination requirement.” *Id.* at *22. The Commission, accordingly, dismissed Goldberg’s appeal. *Id.* at *31.

As another example, in *Guzzone*, FINRA denied a requested waiver of the Series 7 and the Series 55 (equity trader) qualification examinations based on an alleged registration filing error. 57 S.E.C. at 595. Guzzone previously was registered in both capacities for less than one year. *Id.* at 593. After her registrations terminated, she failed to reinstate her licenses within the two-year window without having to requalify by examination. *Id.* at 596-597.

In affirming FINRA’s denial of the examination waiver, the Commission observed that Guzzone’s assertion that she in good faith functioned in the requested capacities during the time she was unregistered directly conflicted with the firm’s representation that she had conducted no securities business. *Id.* at 597. Accepting the firm’s representation, the Commission determined that Guzzone had not continued her registered experience in the requested capacities, and thus she was ineligible for the “filing error” waiver. *Id.* In dismissing Guzzone’s appeal, the

Commission reiterated its long-standing position that requiring requalification by examination “is fully consistent with the statutory goal of ensuring requisite levels of knowledge and competency of associated persons,” and should ensure Guzzone’s familiarity with any changes to applicable securities laws and regulations. *Id.* at 599; *see also Jon G. Symon*, 54 S.E.C. 102, 110 (1999).

And, in *Stegawski*, FINRA denied the applicant’s requested waiver of the Series 7 qualification examination based on, among other things, his “overall securities industry experience.” 2009 SEC LEXIS 216, at *16. In affirming FINRA’s denial of the waiver request, the Commission found that Stegawski’s registered experience as a general securities representative that ended four years prior, his externship at the Commission that ended three years prior, his legal assistant position, and his passing of the Series 24 (general securities principal) qualification examination, Level I of the chartered financial analyst (CFA) examination, and the Florida Bar examination did not sufficiently demonstrate “substantial investment-related experience” to warrant to the Series 7 examination waiver. *Id.* at *17, 19. In affirming FINRA and dismissing Stegawski’s appeal, the Commission emphasized that “[r]equiring requalification by examination is not punitive, but rather a safeguard to ensure that a representative possesses the requisite levels of knowledge and competency[,]” particularly after his registration had lapsed several years prior. *Id.* at *24.

Like FINRA’s denial decisions in *Goldberg*, *Guzzone*, and *Stegawski*, FINRA’s denial of the requested waiver in this case was not arbitrary or capricious, *see* Br. at 17, but in furtherance of investor protection. Requiring that Caltrider take and pass the Series 7 examination, particularly after not having been registered in that capacity for more than five years, ensures that he possesses the current “requisite levels of knowledge and competence” to adequately function

as a general securities representative now. *Dennis Todd Lloyd Gordon*, Exchange Act Release No. 57655, 2008 SEC LEXIS 819, at *36 (Apr. 11, 2008).

Caltrider contends that previously passing the Series 7 examination, his relevant industry-related experience, and “unblemished record” makes him an ideal candidate to be granted the waiver. Br. at 16-17. But all associated persons are expected to adhere to FINRA rules and applicable registration requirements, and thus these factors alone do not merit the examination waiver. *See Goldberg*, 2012 SEC LEXIS 762, at *18 n.20 (“Registered persons such as Goldberg are required to be familiar with all applicable FINRA rules.”); *see id.* at *23 n.24 (rejecting applicant’s assertion that his lack of recent disciplinary history indicates his qualification to serve as an investment banking representative); *see also Symon*, 54 S.E.C. at 109 (denying the firm’s waiver request despite the applicant’s 31-year securities industry experience, unblemished record, and investment management experience). Furthermore, Caltrider previously passed the Series 7 examination 13 years ago, and none of the evidence that PKS and Caltrider proffered demonstrates that he has current knowledge of the applicable rules and regulations and experience with the broad range of products that the Series 7 examination qualifies an individual to sell.²⁵ *See Stegawski*, 2009 SEC LEXIS 216, at *18.

An exemption from FINRA’s registration requirements is reserved solely for exceptional cases and where good cause is shown. PKS had the burden of showing that the facts and

²⁵ Moreover, Caltrider neither claims, nor does the record show, that FINRA’s waiver denial poses a burden on competition that is not necessary or in furtherance of the Exchange Act. As the Commission previously has held, such a denial subjects the individual applicant to no unfair burden on competition because “[a]ll other similarly situated applicants are required to take the applicable examinations before being issued licenses.” *Goldberg*, 2012 SEC LEXIS 762 at *29 (internal quotation marks omitted); *Symon*, 54 S.E.C. at 110. So too here. Requiring that Caltrider requalify by examination imposes no undue burden on Caltrider that is not outweighed by the public interest in ensuring he is competent to serve as a general securities representative.

circumstances of Caltrider's case warranted the examination waiver. Neither PKS, nor Caltrider on reconsideration, met this burden. The Waiver Subcommittee carefully considered the record and denied the Firm's waiver request in a manner consistent with FINRA rules, the purposes of the Exchange Act, and imposed no undue burden on competition, thus satisfying the third and fourth prongs of Section 19(f).

V. CONCLUSION

FINRA has met the requirements of Section 19(f) of the Exchange Act by demonstrating that the Waiver Subcommittee's decision is grounded in existing fact, was made in accordance with FINRA rules that are, and were applied in a manner, consistent with the purposes of the Exchange Act, and imposes no undue burden on competition. Accordingly, the Commission should uphold FINRA's requirement that Caltrider must requalify by examination to register as a general securities representative and dismiss this appeal.²⁶

Respectfully submitted,

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August 25, 2025

²⁶ Caltrider requests that the Commission review his application for review along with a "hearing." Br. at 17. FINRA opposes Caltrider's request for oral argument because the issues raised in this application can be determined sufficiently based on the record and the briefs filed by the parties. See Rule 451(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.451(a).

CERTIFICATE OF COMPLIANCE

I, Lisa Jones Toms, certify that the foregoing FINRA’s Brief in Opposition to the Application for Review (File No. 3-22476) complies with the length limitation set forth in SEC Rule of Practice 450(c). I have relied on the word count feature of Microsoft Word in verifying that this brief contains 8,576 words.

I further certify that I have complied with the Commission’s Rules of Practice by filing a brief that omits or redacts any sensitive personal information described in Rule of Practice 151(e).

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CERTIFICATE OF SERVICE

I, Lisa Jones Toms, certify that on this 25th day of August 2025, I caused a copy of the foregoing FINRA's Brief in Opposition to the Application for Review, In the Matter of the Application of Joshua Caltrider, Administrative Proceeding File No. 3-22476, to be filed through the SEC's eFAP system on:

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