

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 103297 / June 23, 2025

Admin. Proc. File No. 3-22476

In the Matter of the Application of  
  
JOSHUA CALTRIDER  
  
For Review of Action Taken by  
  
FINRA

**BRIEF IN SUPPORT OF APPLICATION FOR REVIEW**

Pursuant to Section 19(d) of the Securities Exchange Act of 1934, 15 U.S.C. §78s(d), Applicant Joshua Caltrider, through his counsel, submits this opening brief in support of his application for review of the decision of the Waiver Subcommittee of FINRA's National Adjudicatory Council, denying the examination waiver request for Caltrider's Series 7 examination.

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## INTRODUCTION

Joshua Caltrider (“Caltrider”) took, and passed, his Series 7 Examination more than twelve years ago, in 2012. Since then, Caltrider has continuously engaged in securities business requiring a Series 7 license, under the good faith belief that his registration had been maintained in good standing. He paid for and completed the required continuing education. He paid the Series 7 registration fees. And, until he applied to take his Series 24 examination in April 2024, even FINRA’s own website reflected that his Series 7 license was active. Thus, *everyone*—Caltrider, the firms he worked for, and FINRA itself—operated for the past five years with the understanding that Caltrider’s Series 7 license was active.

As it turns out, when Caltrider transitioned his employment in 2019, the firm he transitioned to inadvertently failed to check a single box on the necessary form—despite the firm later confirming it *did* intend to transition Caltrider’s Series 7 license—and as a result of this clerical error, unbeknownst to any of the parties (including FINRA) Caltrider’s Series 7 license lapsed.

Of course, errors do happen. And as a result, FINRA’s rules specifically provide for examination waivers under precisely such circumstances—where an individual’s license has lapsed due to error and the individual has continued to operate under the good faith belief that the license has not lapsed. FINRA also provides for examination waivers under circumstances where an individual has sufficient industry experience. Under either scenario Caltrider—with well over a decade of relevant industry experience and an impeccable record—qualifies for a waiver based on FINRA’s stated rules and applicable guidelines. Yet, inexplicably, upon discovery of the error and the firm’s submission of a waiver request on behalf of Caltrider, FINRA denied the waiver request.

Simply stated, the record does not support the specific grounds upon which FINRA based its denial of the waiver request. Further, the denial is inconsistent with FINRA’s rules and stated guidelines, and is at odds with the fundamental purposes of the Exchange Act. For these reasons, the Commission should set aside the decision of the Waiver Subcommittee of FINRA’s National Adjudicatory Council and grant the Waiver Request.

### **STATEMENT OF FACTS**

Caltrider took and passed the Series 7 examination in August of 2012. (R. 13). He maintained and operated under his Series 7 license while employed at Morgan Stanley from 2012 through 2019. (R. 9-12, 34, 140). In 2019, Caltrider voluntarily ended his employment with Morgan Stanley, in favor of a new opportunity with Purshe Kaplan Sterling Investments (“PKS”) and Americana Partners, LLC (“Americana Partners”). (R. 8-9).

#### **A. Caltrider begins work at PKS and Americana Partners, with the understanding that PKS would transfer his licenses**

When Caltrider’s employment with Morgan Stanley ended in April of 2019, he immediately began working in good faith as a registered representative for PKS and Americana Partners. (R. 7-9). In connection with this transition, Caltrider intended to transfer all of his licenses, including his Series 7 license, from Morgan Stanley to PKS, as did PKS. (*See* R. 136). PKS was responsible for completing the Form U4 necessary to transition Caltrider’s licenses, and utilized another company—Dynasty Financial Partners, LLC (“Dynasty”)—to complete this filing. (R. 136). However, in completing the Form U4 for Caltrider, Dynasty and PKS—not Caltrider—listed only a Series 6 registration, and inadvertently failed to check the box confirming Caltrider’s Series 7 registration:

Rev. Form U4 (05/2009)																							
UNIFORM APPLICATION FOR SECURITIES INDUSTRY REGISTRATION OR TRANSFER																							
INDIVIDUAL NAME: <i>Joshua Caltrider</i>							INDIVIDUAL CRD #: <i>6087643</i>																
FIRM NAME: <i>Pursho Kaplan Sterling Investments</i>							FIRM CRD #: 35747																
4. SRO REGISTRATIONS																							
Select appropriate SRO Registration requests.																							
Qualifying examinations will be automatically scheduled if needed. If you are only scheduling or rescheduling an exam, skip this section and complete section 7 (EXAMINATION REQUESTS).																							
REPRESENTATIVE LEVEL REGISTRATION CATEGORIES																							
	FINRA	NYSE	NYSE-AMER	NYSE-ARCA	NYSE-NAT	CBOE	CBOE_C2	CBOE_BYX	CBOE_BZX	CBOE_EDGA	CBOE_EDGX	NOX	BX	ISE	ISE_GEMX	ISE_MRX	PHLX	MIAX_OPTIONS	MIAX_PEARL	BOX	CHX	IEX	
<b>REGISTRATION CATEGORIES</b>																							
IR - Investment Company and Variable Contracts Products Rep. (S6TO)	<input checked="" type="checkbox"/>																						
GS - Full Registration/General Securities Representative (S7TO)	<input type="checkbox"/>																						
DR - Direct Participation Program Representative (S22TO)	<input type="checkbox"/>																						
MR - Municipal Securities Representative (S52TO)	<input type="checkbox"/>																						
TD - Securities Trader (S57TO)	<input type="checkbox"/>																						
IB - Investment Banking Representative (S79TO)	<input type="checkbox"/>																						
PR - Limited Representative - Private Securities Offerings (S82TO)	<input type="checkbox"/>																						
RS - Research Analyst (S86 and S87)	<input type="checkbox"/>																						
OS - Operations Professional (S99TO)	<input type="checkbox"/>																						
Other <i>S66</i> (Paper Form Only)	<input checked="" type="checkbox"/>																						

(R. 27).

This was, as admitted by PKS, done in error. (R. 139, 140). In fact, PKS's Chief Compliance Officer confirmed this error on the part of PKS in writing via email:

The U-4 lists the S6, but for 7 years prior Josh had his S7 held at Morgan Stanley until he registered with PKS. It seems unlikely that a person would reduce their FINRA qualification from the 7 to a 6 UNLESS an error was made which is the case here. I believe there may have also been some haste involved with Josh's registration, in that case it's easy to make an error such as this when you are working under duress.

Stuart Reff, JD  
Senior Compliance Officer

(R. 140).

Indeed, the General Counsel for Dynasty also confirmed that PKS intended to transfer Caltrider's Series 7 license:

It is my understanding that Mr. Caltrider intended to transfer his Series 7 license from Morgan Stanley (his former employer) to Purshe Kaplan and Sterling Investments ("PKS") and that due to a filing error (the Series 7 box was not checked on the form) his license was not transferred to PKS. Dynasty completed the filing and it was Dynasty's and PKS's intention that his Series 7 license would be transferred. I am not aware of any reason why Mr. Caltrider would have purposely dropped his Series 7 license at the time of joining Americana and having his securities licenses with PKS. Additionally, it appears Mr. Caltrider acted in good faith in paying his registration fees and participating in continuing education sessions and was of the belief that his Series 7 license had properly transferred over to PKS from Morgan Stanley.

I trust this letter is helpful in reevaluating his request for a waiver.

Respectfully,

Jonathan R. Morris

General Counsel  
jmorris@dynastyfinancialpartners.com  
860-575-2919

(R. 136). Thus, but for Dynasty's and PKS's clerical error, Caltrider's Series 7 license would have been transferred upon his employment with PKS and Americana Partners. (*See* R. 136, 140). And indeed, for the nearly *five years* following Caltrider's departure from Morgan Stanley *all the parties*—including Caltrider, PKS, Americana Partners, and even FINRA itself—believed that Caltrider's Series 7 license had, in fact, been transferred. (*See* R. 3, 136, 139).

**B. Caltrider, in good faith, engaged in business requiring a Series 7 license (and was paid accordingly by PKS)**

Caltrider has been employed in the securities industry for over 12 years, first working at Morgan Stanley from 2012 to 2019, and subsequently at Americana Partners and PKS beginning in 2019. (R. 11, 21, 34, 136). He continues to work at Americana Partners to this date, and has never left the securities industry or left his role as a general securities representative and Investment Advisor Representative. (R. 285, 290). Indeed, since the date of his successful completion of the Series 7 examination in August 2012, Caltrider's duties as a registered representative and as an Investment Advisor Representative have remained largely identical. (R.

21-22). As a general securities representative with PKS and Americana Partners since 2019, Caltrider has provided analysis of clients' financial situations, investment objectives, risk tolerance, and liquidity needs to recommend suitable investment products and strategies. (R. 21-22). His responsibilities have also included conducting due diligence on investment opportunities and disclosing material risks, costs, and conflicts of interest. (R. 22). He is also responsible for executing buy and sell orders for stocks, bonds, options, private placements, hedge funds, private equity investments, municipal securities, government securities, ETFs, mutual funds, and other securities in client accounts, monitoring client portfolios and providing ongoing advice as markets and circumstances change. (*See* R. 22, 130). Similarly, as an Investment Advisor Representative with PKS and Americana Partners since 2019, Caltrider has been responsible for analyzing clients' financial situations, investment objectives, risk tolerances, and liquidity needs to recommend suitable investment strategies and asset allocations. (R. 22). He also completes periodic portfolio reviews to ensure alignment with objectives and provide advice on potential adjustments, and performs due diligence on investment products, managers, and strategies prior to recommendation or implementation. (R. 22).

Further, relying on the good faith belief that he was appropriately registered as a Series 7 representative, Caltrider has continuously sold the products that FINRA has indicated the Series 7 qualifies a registrant to sell (*i.e.*, public offerings or private placements of corporate securities (stocks and bonds); rights; warrants; mutual funds; money market funds; unit investment trusts; REITS; asset-backed securities; mortgage-backed securities; options; options on mortgage-backed securities; municipal securities; government securities; repos and certificates of accrual on government securities; direct participation programs; variable contracts; ETFs; and hedge funds). (R. 130). Indeed, as further confirmation of PKS's intent to transfer Caltrider's Series 7 license

and Caltrider's relevant work experience, PKS proceeded to pay Caltrider as though he was Series 7 registered. In fact, PKS paid Caltrider commissions for no fewer than six separate private placements offered by private equity funds from Morgan Stanley, including North Haven Capital Partners 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. (R. 187, 189-93, 199, 203-5, 216, 220, 229, 231-32, 235, 246, 250-52, 254, 267, 270-71, 274, 279-80; Addendum Exhibit A<sup>1</sup>). As reflected in the Commission Statements provided to FINRA, PKS paid such commissions in 2019, 2020, 2021, 2022, 2023, and 2024—that is, every year that Caltrider worked at PKS. (R. 187, 189-93, 199, 203-5, 216, 220, 229, 231-32, 235, 246, 250-52, 254, 267, 270-71, 274, 279-80; Addendum Exhibit A). Absent a Series 7 license, Caltrider could not have earned such commissions, as he would not have been empowered to engage in private equity products. As such, Caltrider was clearly engaged in business that required a Series 7 license when working for PKS.<sup>2</sup>

During his employment with PKS and Americana Partners, Caltrider continued to maintain the necessary continuing education for his Series 7 license—including continuing education specific to a Series 7 registration. (R. 64, 65). He also continued to pay the required continuing education and registration fees to FINRA for maintaining his Series 7 registration—and FINRA

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<sup>1</sup> Record excerpts with the relevant commissions highlighted are included as Exhibit A to this brief for ease of reference.

<sup>2</sup> This fact is critical because, unbeknownst to Caltrider at the time, when PKS submitted the initial exam waiver request to FINRA on May 24, 2024, PKS affirmatively misrepresented the nature of Caltrider's work, stating “[w]e also checked the business that has been submitted to the firm from 4/2019-Present. The only business Mr. Caltrider submitted was business that only require a S6.” (See R. 139). Giving FINRA the benefit of the doubt, perhaps it was misled by this falsehood. As the Commission Statements demonstrate, Caltrider was engaged in business that required a Series 7 license. All parties, in good faith, believed that Caltrider's Series 7 license had been properly transferred in 2019.

continued to accept these payments. (R. 129, 136). Further, each time Caltrider accessed FINRA’s FinPro website, FinPro reflected that he continued to maintain his Series 7 registration—at no point between 2019 and April 3, 2024 did FINRA’s CRD platform reflect that Caltrider’s Series 7 registration had lapsed. (R. 22, 129).

Finally, for the duration of his career as a registered professional for these firms, Caltrider has *no* disciplinary, regulatory, criminal history, or arbitration awards. (R. 3, 16, 22, 36-38). His record is spotless. And in addition to previously taking and passing the Series 7, Caltrider has taken and passed other exams, including the SIE, Series 66, and Series 6TO examinations. (R. 13, 22, 66). He continues to maintain each of these licenses. (R. 9, 22). Caltrider also maintains an SRO registration with FINRA, and state registrations in Arkansas, Texas, and Oklahoma. (R. 9, 22).

**C. Caltrider, PKS, and FINRA discover that Caltrider’s Series 7 lapsed**

In early 2024, Caltrider (in agreement with Americana Partners and PKS) sought to expand his responsibilities to the supervisory and managerial level, and thus on April 4, 2024, he submitted an application to take the Series 24 examination, sponsored by PKS. (*See* R. 13, 22). It was upon his submission of the application to take the Series 24 examination that Caltrider was notified that his Series 7 had lapsed. (R. 22).<sup>3</sup> Indeed, it is for this reason that FINRA’s “Snapshot” (notably, dated April 24, 2024 *after* the Series 7 lapse was discovered) includes identical window dates for the Series 7 examination and the Series 24 examination. (*See* R. 13).<sup>4</sup>

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<sup>3</sup> Indeed, as the Series 7 (with the SIE), is one of the requisites for the Series 24, and Caltrider had not ever taken the other qualifying requisite exams, Caltrider and PKS, as the sponsoring firm, clearly believed Caltrider’s Series 7 license was still active, or they would not have submitted for the Series 24 examination in the first instance. *See* FINRA Series 24 – General Securities Principal Exam, *available at* <https://www.finra.org/registration-exams-ce/qualification-exams/series24> (last visited July 21, 2025).

<sup>4</sup> For this reason, the “Snapshot” that FINRA includes in the Record at 5-16 is misleading. The Snapshot shows Caltrider’s Series 7 lapsed, but the Snapshot is dated April 24, 2024—twenty days

Upon learning that Caltrider’s Series 7 license had lapsed, PKS submitted a waiver request on Caltrider’s behalf, as well as a letter of recommendation from Americana Partners. (R. 1-3). The letter of recommendation confirmed that the Series 7 license expired as a result of a clerical error made by PKS. (R. 3). It also elaborated on Caltrider’s professional experience—more than ten years of continuous service in the financial services industry. (R. 3). Nevertheless, on May 23, 2024, FINRA notified PKS that its waiver request on behalf of Caltrider had been denied. (R. 17).

Following initial denial of the waiver request, Caltrider submitted a Notice of Appeal on June 4, 2024 pursuant to FINRA Rule 9630, as well as supporting evidence of the filing error and Caltrider’s continuing education maintenance. (R. 19-66). By decision dated October 17, 2024, the Waiver Subcommittee of FINRA’s National Adjudicatory Counsel (“FINRA”) affirmed the denial of the waiver request. (R. 117-20). Caltrider, through his counsel, requested reconsideration of FINRA’s decision by letter dated January 17, 2025. (R. 128-31). In that letter, Caltrider made clear to FINRA that PKS’ initial Waiver Request, unbeknownst to Caltrider, misrepresented the nature of the business he had been conducting. (R. 128). Nonetheless, by letter dated April 17, 2025, FINRA reaffirmed its decision denying the Waiver Request. (R. 323-24). Caltrider therefore submitted his application to the Commission within thirty days of the date of FINRA’s April 17, 2025 notice of its decision reaffirming its denial of the Waiver Request, pursuant to Section 19(d) of the Securities Exchange Act of 1934, 15 U.S.C. §78s(d). (R. 335-47).

## **ARGUMENT AND AUTHORITIES**

### **A. Standard of Review**

The Commission reviews FINRA’s denial of a request for waiver of an examination requirement pursuant to Section 19(f) of the Securities Exchange Act. 15 U.S.C. § 78s(f); *see Gina*

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*after* Caltrider applied to take the Series 24 examination. At all times prior to April 4, 2024, FINRA’s CRD showed Caltrider’s Series 7 license was active.

*M. Guzzone*, 57 S.E.C. 592, 596 (2004) (explaining that a “denial of a waiver . . . , in effect, constitutes a bar . . . from associating” with a FINRA member firm). In accordance with that section, the Commission dismisses an application for review if the Commission finds (1) the specific grounds upon which FINRA based its denial “exist in fact”; (2) the action is in accordance with FINRA rules; and (3) FINRA applied its rules in a manner consistent with the purposes of the Exchange Act. 15 U.S.C. § 78s(f); *see also Fog Cutter Capital Grp. v. SEC*, 474 F.3d 822, 825 (D.C. Cir. 2007). The applicable Rule at issue here—FINRA Rule 1210.03—provides that, in exceptional cases and where good cause is shown, FINRA may waive the applicable qualification examination for an applicant and accept other standards as evidence of an applicant’s qualifications for registration. FINRA Rule 1210.03.

Here, the record demonstrates that the specific grounds upon which FINRA based its denial of Caltrider’s waiver request do *not* “exist in fact,” and further, that FINRA’s denial was not in accordance with FINRA Rule 1210.03, nor did FINRA apply this rule “in a manner consistent with the purposes of the Exchange Act.” *See* 15 U.S.C. § 78s(f). Therefore, the Commission should grant Caltrider’s application for review, set aside FINRA’s action denying Caltrider’s waiver request, and grant Caltrider’s requested waiver of the Series 7 examination.

**B. The Specific Grounds Upon Which FINRA Based Its Denial of the Waiver Request Do Not “Exist in Fact”**

FINRA’s decision denying Caltrider’s waiver request was based upon factual errors, inaccuracies, and misrepresentations by PKS, and therefore the specific grounds upon which FINRA based its denial do not “exist in fact,” necessitating the decision be set aside.

With respect to FINRA exam waiver requests, FINRA provides guidance concerning several types of exam waiver requests. *See* FINRA Qualification Exam Waivers and Exemptions, *available at* <https://www.finra.org/registration-exams-ce/qualification-exams/exam-waivers-and->

exemptions (last visited July 21, 2025) (the “Waiver Guidelines”). First, FINRA outlines “Requests Based on Registration Filing Errors,” and explains that such requests involve “individuals who are working in good faith as representatives or principals in firms, but whose registrations, for reasons related to the filing of the appropriate application forms, are not reflected in CRD.” *Id.* In order to obtain a waiver on “filing error” grounds, the Waiver Guidelines require that the “firm(s) involved document the nature of the filing error” as well as evidence showing the individual’s “good faith” belief, notwithstanding the filing error, that he or she was appropriately registered. *Id.*

The Waiver Guidelines also provide guidance for waiver requests “Based on Securities Industry and Related Investment Field Experience.” *Id.* The Waiver Guidelines provide a non-exhaustive list of factors that FINRA considers in determining whether to grant a waiver request based on applicant’s industry experience, including (1) the length and quality of the applicant’s securities industry experience or professional experience in investment-related fields; (2) the specific registration the applicant requests requested and type of business to be conducted; (3) the applicant’s previous registration history; and (4) the nature of the applicant’s disciplinary, regulatory and criminal history. *Id.*

Here, the record demonstrates that Caltrider qualifies for an examination waiver for his Series 7 examination because (1) the expiration of Caltrider’s Series 7 registration was the result of an inadvertent filing error by PKS; (2) he has since been operating under the good-faith belief that he was appropriately registered; (3) Caltrider’s unbroken and unblemished string of experience in the securities industry qualifies him for a waiver; and (4) Caltrider has taken all necessary Series 7 continuing education and FINRA has accepted all fees. Having accepted those payments, FINRA effectively agreed that Caltrider had his Series 7 license. However, despite these

multiple grounds qualifying Caltrider for a waiver of the Series 7 examination, FINRA nevertheless denied the waiver request. Upon examination of FINRA's denial, it is apparent that the grounds upon which FINRA based its denial do not "exist in fact."

**1. *FINRA's stated grounds for denying the waiver request based on PKS's filing error do not "exist in fact"***

The grounds upon which FINRA denied the waiver request based on PKS's filing error are contrary to what the record demonstrates and thus do not "exist in fact." For one, FINRA concludes that the waiver request is denied because "[PKS] neither has represented, nor provided any evidence of, its intention or attempt to have Caltrider serve as a general securities representative." (R. 119). The record shows precisely the opposite to be true. PKS and Dynasty both plainly admit the error. (R. 136, 139, 140). Indeed, Dynasty confirms that it was "PKS's intention that [Caltrider's] Series 7 license would be transferred." (R. 136). Americana Partners confirms that the expiration of Caltrider's Series 7 license was "due to a clerical error made by [PKS]." (R. 3). And there is no evidence in the record to the contrary—nothing to demonstrate that this was anything other than an inadvertent clerical error or oversight.<sup>5</sup> Further, PKS specifically employed and paid Caltrider as a Series 7 representative. (R. 187, 189-93, 199, 203-5, 216, 220, 229, 231-32, 235, 246, 250-52, 254, 267, 270-71, 274, 279-80; Addendum Exhibit A). PKS unquestionably intended to have Caltrider serve as a general securities representative.

FINRA further explains in its decision that this error is not a "filing error" as contemplated under the Waiver Guidelines. (R. 119). FINRA indicates that the Waiver Guidelines contemplate instances "when a member firm files an appropriate application form that for some reason is not reflected in the CRD." (R. 119). This reasoning ignores the fact that, but for *FINRA* erroneously

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<sup>5</sup> Further, because FINRA's website, FinPro, continued to also show that Caltrider was Series 7 registered until April of 2024, there was nothing to alert PKS, Americana Partners, or Caltrider himself that anything was amiss with the Form U4.

continuing to reflect that Caltrider was Series 7 registered in the CRD, the “filing error” contemplated by the Waiver Guidelines is precisely what happened here. Specifically, “a member firm [PKS] file[d] an appropriate application form [the Form U4]. And, had FINRA’s CRD correctly reflected what PKS filed in 2019, the parties could have immediately recognized that the CRD was not accurately reflecting what they intended to file—indeed they could have corrected the error within the two-year grace period and Caltrider’s Series 7 would never have lapsed in the first place. But FINRA’s error in the CRD concealed the clerical error made by PKS for five years. Indeed, if this does not constitute a “filing error” as contemplated by the Waiver Guidelines, nothing would.

Finally, there is also no factual support for FINRA’s conclusion that “the amount of time that has elapsed since the purported error” demonstrates a purported lack of “reasonable diligence” necessary to grant a Series 7 waiver based on filing error. (R. 119). FINRA and its website never showed Caltrider’s Series 7 was expired until he applied to take the Series 24 principal exam in April of 2024. (R. 22, 131). And Caltrider continued to complete his continuing education and pay the requisite fees, which FINRA continued to accept without hesitation. (R. 136, 281-82). There were no indicators to alert PKS or Caltrider that his Series 7 registration had lapsed until April of 2024 (at which point PKS filed a waiver request within weeks of the discovery in an effort to correct the filing error). (R. 3). Caltrider and PKS were entitled to rely upon the representations made by FINRA, which reflected that his Series 7 was current. Such acts cannot reasonably be construed as a lack of “reasonable diligence” on the part of any of the parties involved (apart from perhaps FINRA).

Thus, the specific grounds identified by FINRA as providing the basis for its denial of the waiver request based on PKS's filing error do not "exist in fact" and the Commission should set aside FINRA's denial.

**2. *FINRA's stated grounds for denying the waiver request based on Caltrider's industry experience do not "exist in fact"***

PKS, on behalf of Caltrider, also sought a waiver request based on Caltrider's relevant professional experience in the securities industry. As is apparent from FINRA's decision letter, FINRA's denial of the waiver on these grounds is not based on fact. First, one fact that FINRA indicates "weighs heavily against granting the waiver" is what FINRA refers to as a "significant absence from acting in the requested capacity," concluding that it has been more than five years since Caltrider acted in the registered capacity. (R. 118). This is, for several reasons, inaccurate and a blatant mischaracterization of the facts.

First, pursuant to FINRA's own rules, Caltrider's Series 7 registration did not expire in April 2019, it expired two years later in April 2021. *See* FINRA Rule 1210.07. Thus, at the time of FINRA's review, it had only been three years and five months since he was properly registered as a Series 7 representative, not five years and five months as FINRA erroneously states.

Further, as the record demonstrates, during that entire time, Caltrider thought he was properly registered, and thus continuously acted "in the requested registered capacity." (*See* R. 136, 187, 189-93, 199, 203-5, 216, 220, 229, 231-32, 235, 246, 250-52, 254, 267, 270-71, 274, 279-80, 281-82; Addendum Exhibit A). He functioned as a Series 7 representative, maintained his continuing education as a Series 7 representative, and was paid as a Series 7 representative. (*Id.*). Thus, in reality, there has been no "absence" from acting in the requested registered capacity as FINRA erroneously concluded. Caltrider demonstrated *twelve* years of experience as a general securities representative, not "six years and eight months" as FINRA erroneously states. To the

extent that FINRA’s denial is based on Caltrider’s purported “absence from acting in the requested registered capacity,” the decision is based on specific grounds that do not exist in fact

FINRA also bases its denial on grounds that the evidence provided by Caltrider “fails to demonstrate Caltrider’s continuous breadth of experience with the wide range of products that the Series 7 examination qualifies an individual to sell,” and that the commission statements he submitted “confirm that Caltrider was paid commissions on sales transactions of products . . . that necessitated his Series 6—and not the Series 7—registration.” (R. 119; 555 n. 3). This conclusion is also simply wrong, and thus not based on grounds that “exist in fact.”

The record clearly shows Caltrider was paid commissions for private placements offered by private equity funds from Morgan Stanley when he was with PKS. (R. 187, 189-93, 199, 203-5, 216, 220, 229, 231-32, 235, 246, 250-52, 254, 267, 270-71, 274, 279-80, 556; Addendum Exhibit A). These transactions necessitate a Series 7 license. *See* FINRA Series 7 – General Securities Representative Exam, *available at* <https://www.finra.org/registration-exams-ce/qualification-exams/series7> (last accessed July 22, 2025). Series 6 authorizes representatives to sell investment company and variable contracts, such as mutual funds and variable annuities. It does not empower registrants to engage in private equity products. *See, e.g.,* FINRA Investment Company and Variable Contracts Products Representative Qualification Examination (Series 6) Content Outline, *available at* [https://www.finra.org/sites/default/files/Series\\_6\\_Content\\_Outline.pdf](https://www.finra.org/sites/default/files/Series_6_Content_Outline.pdf) (last accessed July 22, 2025).

In summary, the “facts” that FINRA relies on as grounds for its decision to deny the waiver based on Caltrider’s professional experience either constitute misstatements of the existing facts,

or ignore existing facts to the contrary. The decision is therefore not based on grounds that “exist in fact,” and the Commission should set aside FINRA’s decision.

**C. FINRA’s Denial of the Waiver Request Was Not in Accordance with FINRA Rules**

The FINRA Rules provide for examination waivers under exceptional cases and where good cause is shown. FINRA Rule 1210.03. In considering such a request, FINRA “reviews each waiver request on its individual merits and considers all relevant facts presented by the sponsoring firm.” FINRA Qualification Exam Waivers and Exemptions, *available at* <https://www.finra.org/registration-exams-ce/qualification-exams/exam-waivers-and-exemptions> (last visited July 21, 2025). As detailed above, FINRA failed to consider all the relevant facts presented by PKS (as well as the relevant facts presented by Americana Partners, Dynasty, and Caltrider himself once it was apparent that PKS had *not* shared certain relevant information) in requesting the waiver on behalf of Caltrider. Indeed, FINRA either ignored, or flatly misconstrued, critical facts establishing Caltrider’s qualification for a waiver under FINRA’s Waiver Guidelines.

The Waiver Guidelines specifically indicate that FINRA may waive an exam if (1) the firm documents the filing error and confirms the individual has, in good faith, engaged in securities business, or (2) the individual has requisite experience in the securities industry and in related investment fields. *See* FINRA Qualification Exam Waivers and Exemptions, *available at* <https://www.finra.org/registration-exams-ce/qualification-exams/exam-waivers-and-exemptions> (last visited July 21, 2025). PKS and Caltrider provided conclusive evidence supporting both of these grounds, yet FINRA denied the request. As demonstrated in both its October 17, 2024 Letter and its April 17, 2025 Letter, the denial was clearly not in accordance with FINRA’s Rules – not even close.

**D. FINRA Failed to Apply Its Rules Consistently with the Exchange Act’s Purpose**

The primary purpose behind passage of the Securities Act of 1933 and Securities Exchange Act of 1934 was investor protection. *SEC v. Prince*, 942 F. Supp. 2d 108, 134 (D.D.C. 2013) (citing *Ernst & Ernst v. Hochfelder*, 425 U.S. 185, 194, 96 S. Ct. 1375, 47 L. Ed. 2d 668 (1976)). Consistent with this purpose, Section 15(b)(7) of the Act authorizes the Commission to regulate persons associated with broker-dealers by establishing qualification standards. 15 U.S.C.S. § 78o. Individuals who effect or are involved in effecting securities transactions must therefore be “registered or approved in accordance with the standards of training, experience, competence, and other qualification standards (including but not limited to submitting and maintaining all required forms, paying all required fees, and passing any required examinations) . . . .” 17 C.F.R. § 240.15b7-1.

FINRA Rule 1210.03, while requiring a person to pass an appropriate representative qualification exam in order to register as a representative, also provides for a waiver of this requisite and acceptance of other standards as evidence of an applicant’s qualifications. *See* FINRA Rule 1210.03. Where an individual can demonstrate the requisite standards of “training, experience, competence, and other qualification standards,” a waiver is consistent with the Exchange Act’s purpose. *See* 17 C.F.R. § 240.15b7-1. Conversely, to deny an applicant a waiver, despite demonstrating the necessary “training, experience, competence, and other qualification standards,” is inconsistent with that purpose. *See id.*

Here, FINRA applied Rule 1210.03 and its published Waiver Guidelines in a manner to deny Caltrider a waiver for his Series 7 registration even though Caltrider passed the Series 7 examination, demonstrated over a decade of continuous relevant general securities representative experience, consistently maintained the requisite continuing education, and paid all fees to FINRA required to maintain his registration statuses. Indeed, Caltrider’s unblemished record reflects that

he is precisely the type of representative who should be granted a waiver in the name of “investor protection.” The securities industry needs more, not fewer, scrupulous representatives like Caltrider.

Denial of Caltrider’s Waiver Request, under these circumstances, is not consistent with the fundamental purpose of investor protection—it is arbitrary and contrary to fundamental fairness. The Commission should set aside FINRA’s decision and grant Caltrider’s Waiver Request.

### **CONCLUSION AND PRAYER**

For the reasons stated herein and as demonstrated by the record, Applicant Joshua Caltrider requests that, following review of this Application and any requisite notice and hearing, the Commission set aside the action of the Waiver Subcommittee of FINRA’s National Adjudicatory Council, and grant Caltrider’s requested waiver of the Series 7 examination.

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Toby M. Galloway  
[tgalloway@winstead.com](mailto:tgalloway@winstead.com)

Kelly C. Martin  
[kmartin@winstead.com](mailto:kmartin@winstead.com)

WINSTEAD PC  
300 Throckmorton, Suite 1700  
Fort Worth, Texas 76102  
Telephone: 817-420-8200  
Facsimile: 817-420-8201

**COUNSEL FOR APPLICANT  
JOSHUA CALTRIDER (CRD # 6087643)**

**CERTIFICATE OF SERVICE**

I, Toby M. Galloway, certify on this 24th day of July, 2025, I caused a copy of the Brief in support of Application for Review regarding In the Matter of the Application of Joshua Caltrider, Administrative Proceeding File No. 3-22476, to be filed through the SEC;'s eFAP system and served by electric mail on:

Lisa Jones Toms  
FINRA – Office of General Counsel  
[Lisa.toms@finra.org](mailto:Lisa.toms@finra.org)

