

FINRA Bars Ex-Broker Whose Assistant Took CE Classes for Him

by Jeff Berman, ThinkAdvisor, July 6, 2021

The Financial Industry Regulatory Authority has barred a former broker who the regulator alleges used an “impostor” to take his FINRA Regulatory Element continuing education training and three non-FINRA CE courses in 2018, while he was a registered representative for Hornor, Townsend & Kent.

“Neither Penn Mutual, HTK, nor any other Penn Mutual affiliate remain associated with Mr. Logan,” a spokesperson for HTK parent company Penn Mutual, told ThinkAdvisor on Tuesday. “We are aware of FINRA’s investigation into Mr. Logan’s activities, and cooperated with that investigation.”

[Matthew R. Logan](#) allegedly directed an administrative assistant in his office to take the CE training for him and also had the assistant take three non-FINRA continuing education courses on his behalf, FINRA said in a decision that posted on its website last week.

Logan’s conduct violated FINRA Rule 2010 that governs standards of commercial honor and principles of trade, FINRA said.

More Details

Logan has been a registered rep for nine years. He became registered through HTK when he joined that firm in 2010, according to his report on FINRA’s BrokerCheck website.

After Logan was terminated by the firm on Jan. 9, 2019, for his alleged cheating, the broker went on to become a registered rep for National Life Group broker-dealer affiliate Equity Services Inc. (ESI), according to BrokerCheck. On Aug. 21, 2019, ESI filed a Form U5 on Logan’s behalf disclosing that the member had terminated his association because he was no longer registered with Massachusetts, his resident state, according to FINRA.

Logan admitted he violated FINRA Rule 2010 and conceded a sanction was in order, but requested the FINRA Hearing Panel show leniency and not impose a bar because of “several claimed mitigating factors,” according to FINRA.

However, the “standard sanction for using an impostor in the Regulatory Element is a bar,” FINRA said. The Hearing Panel, therefore, barred Logan from associating with any FINRA member in any capacity, it noted.

Logan testified that his firm’s sales target demands had become so astronomical that he couldn’t keep up with them, according to FINRA. He “lost clarity and focus and blindly forwarded” to his assistant firm emails reminding him of his CE obligations, FINRA said.

A “routine email review” by his firm’s supervision department in November 2018 discovered emails showing Logan’s assistant had taken his Regulatory Element, according to FINRA. A review of the assistant’s computer activity confirmed she had been on FINRA’s CE Online System for a large amount of time, which was “consistent with her taking the Regulatory Element,” FINRA alleged.

In Logan’s interview with an attorney at the firm, he “did not confess that he had instructed” the assistant to take four CE courses for him, according to FINRA. “Instead, Logan lied [and] falsely denied” the assistant had taken the Regulatory Element for him, FINRA said.