



## IAPD Report

# RICHARD MATTHEW BRENDZA

CRD# 1703194

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Please contact FINRA with any concerns.



## IAPD Information About Representatives

IAPD offers information on all current-and many former representatives. Investors are strongly encouraged to use IAPD to check the background of representatives before deciding to conduct, or continue to conduct, business with them.

### What is included in a IAPD report?

IAPD reports for individual representatives include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards.

It is important to note that the information contained in an IAPD report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

### Where did this information come from?

The information contained in IAPD comes from the Investment Adviser Registration Depository (IARD) and FINRA's Central Registration Depository, or CRD, (see more on CRD below) and is a combination of:

- information the states require representatives and firms to submit as part of the registration and licensing process, and
- information that state regulators report regarding disciplinary actions or allegations against representatives.

### How current is this information?

Generally, representatives are required to update their professional and disciplinary information in IARD within 30 days.

### Need help interpreting this report?

For help understanding how to read this report, please consult NASAA's IAPD Tips page <http://www.nasaa.org/IAPD/IARReports.cfm>

### What if I want to check the background of an Individual Broker or Brokerage Firm?

To check the background of an Individual Broker or Brokerage firm, you can search for the firm or individual in IAPD. If your search is successful, click on the link provided to view the available licensing and registration information in FINRA's BrokerCheck website.

### Are there other resources I can use to check the background of investment professionals?

It is recommended that you learn as much as possible about an individual representative or Investment Adviser firm before deciding to work with them. Your state securities regulator can help you research individuals and certain firms doing business in your state. The contact information for state securities regulators can be found on the website of the North American Securities Administrators Association <http://www.nasaa.org>



## Report Summary

### RICHARD MATTHEW BRENDZA (CRD# 1703194)

The report summary provides an overview of the representative's professional background and conduct. The information contained in this report has been provided by the representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the representative, a previous employing firm, or a securities regulator on **11/06/2025**.

### CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
<b>B</b>	RAYMOND JAMES & ASSOCIATES, INC.	CRD# 705	04/23/2018
<b>IA</b>	RAYMOND JAMES & ASSOCIATES, INC.	CRD# 705	04/23/2018

### QUALIFICATIONS

This representative is currently registered in **9** SRO(s) and **29** jurisdiction(s).

Is this representative currently Inactive or Suspended with any regulator? **No**

**Note:** Not all jurisdictions require IAR registration or may have an exemption from registration.

Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

### REGISTRATION HISTORY

This representative was previously registered with the following firm(s):

	FIRM	CRD#	LOCATION	REGISTRATION DATES
<b>B</b>	MORGAN STANLEY	149777	CHICAGO, IL	06/01/2009 - 05/22/2018
<b>IA</b>	MORGAN STANLEY	149777	CHICAGO, IL	06/01/2009 - 05/22/2018
<b>B</b>	MORGAN STANLEY & CO. INCORPORATED	8209	CHICAGO, IL	04/02/2007 - 06/01/2009

For additional registration and employment history details as reported by the individual, refer to the Registration and Employment History section of the Detailed Report.

### DISCLOSURE INFORMATION

Disclosure events include certain criminal charges and convictions, formal investigations and disciplinary actions initiated by regulators, customer disputes and arbitrations, and financial disclosures such as bankruptcies and unpaid judgments or liens.

Are there events disclosed about this representative? **Yes**

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	3
Termination	1



## Qualifications

### REGISTRATIONS

This section provides the SRO, states and U.S. territories in which the representative is currently registered and licensed, the category of each registration, and the date on which the registration becomes effective. This section also provides, for each firm with which the representative is currently employed, the address of each location where the representative works. This individual is currently registered with **29** jurisdiction(s) and 9 SRO(s) through his or her employer(s).

#### Employment 1 of 1

Firm Name: **RAYMOND JAMES & ASSOCIATES, INC.**  
Main Address: 880 CARILLON PARKWAY  
ST. PETERSBURG, FL 33716  
Firm ID#: 705

Regulator	Registration	Status	Date
<b>B</b> FINRA	General Securities Representative	Approved	04/23/2018
<b>B</b> Investors' Exchange LLC	General Securities Representative	Approved	11/06/2025
<b>B</b> MEMX LLC	General Securities Representative	Approved	11/06/2025
<b>B</b> NYSE American LLC	General Securities Representative	Approved	04/23/2018
<b>B</b> NYSE Arca, Inc.	General Securities Representative	Approved	11/06/2025
<b>B</b> NYSE Texas, Inc.	General Securities Representative	Approved	11/06/2025
<b>B</b> Nasdaq PHLX LLC	General Securities Representative	Approved	04/23/2018
<b>B</b> Nasdaq Stock Market	General Securities Representative	Approved	04/23/2018
<b>B</b> New York Stock Exchange	General Securities Representative	Approved	04/23/2018
<b>B</b> Alabama	Agent	Approved	01/25/2023
<b>B</b> Arizona	Agent	Approved	04/23/2018
<b>B</b> California	Agent	Approved	12/07/2022
<b>B</b> Colorado	Agent	Approved	04/23/2018



### Qualifications

Regulator	Registration	Status	Date
B District of Columbia	Agent	Approved	08/25/2023
B Florida	Agent	Approved	04/23/2018
B Georgia	Agent	Approved	05/10/2021
B Illinois	Agent	Approved	04/23/2018
IA Illinois	Investment Adviser Representative	Approved	04/23/2018
B Indiana	Agent	Approved	04/23/2018
B Iowa	Agent	Approved	04/23/2018
B Kansas	Agent	Approved	08/27/2019
B Kentucky	Agent	Approved	01/09/2023
B Maryland	Agent	Approved	09/28/2023
B Michigan	Agent	Approved	04/23/2018
B Minnesota	Agent	Approved	04/23/2018
B Mississippi	Agent	Approved	08/16/2019
B Missouri	Agent	Approved	04/23/2018
B Nebraska	Agent	Approved	03/22/2022
B New Jersey	Agent	Approved	04/23/2018
B North Carolina	Agent	Approved	04/23/2018
B Ohio	Agent	Approved	04/23/2018
IA Ohio	Investment Adviser Representative	Approved	03/18/2024



### Qualifications

Regulator	Registration	Status	Date
<b>B</b> Pennsylvania	Agent	Approved	04/23/2018
<b>B</b> South Carolina	Agent	Approved	02/13/2023
<b>B</b> Tennessee	Agent	Approved	04/23/2018
<b>B</b> Texas	Agent	Approved	09/17/2021
<b>IA</b> Texas	Investment Adviser Representative	Restricted Approval	07/30/2021
<b>B</b> Virginia	Agent	Approved	04/23/2018
<b>B</b> Washington	Agent	Approved	12/19/2024
<b>B</b> Wisconsin	Agent	Approved	10/08/2020
<b>B</b> Wyoming	Agent	Approved	03/11/2025

### Branch Office Locations

**RAYMOND JAMES & ASSOCIATES, INC.**  
Cincinnati, OH

**RAYMOND JAMES & ASSOCIATES, INC.**  
201 E 5th Street  
Suite 2500  
Cincinnati, OH 45202



## Qualifications

### PASSED INDUSTRY EXAMS

This section includes all industry exams that the representative has passed. Under limited circumstances, a representative may attain registration after receiving an exam waiver based on a combination of exams the representative has passed and qualifying work experience. Likewise a new exam requirement may be grandfathered based on a representative's specific qualifying work experience. Exam waivers and grandfathering are not included below.

**This individual has passed 0 principal/supervisory exams, 3 general industry/product exams, and 2 state securities law exams.**




#### Principal/Supervisory Exams

Exam	Category	Date
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No information reported.

#### General Industry/Product Exams

Exam	Category	Date
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 Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
 Futures Managed Funds Examination (S31)	Series 31	08/10/1993
 General Securities Representative Examination (S7)	Series 7	06/20/1992

#### State Securities Law Exams

Exam	Category	Date
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 Uniform Investment Adviser Law Examination (S65)	Series 65	09/07/1994
 Uniform Securities Agent State Law Examination (S63)	Series 63	06/26/1992

### PROFESSIONAL DESIGNATIONS

This section details that the representative has reported **0** professional designation(s).

No information reported.



## Registration & Employment History

### PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

	Registration Dates	Firm Name	ID#	Branch Location
B	06/01/2009 - 05/22/2018	MORGAN STANLEY	CRD# 149777	CHICAGO, IL
IA	06/01/2009 - 05/22/2018	MORGAN STANLEY	CRD# 149777	CHICAGO, IL
B	04/02/2007 - 06/01/2009	MORGAN STANLEY & CO. INCORPORATED	CRD# 8209	CHICAGO, IL
IA	04/02/2007 - 06/01/2009	MORGAN STANLEY & CO. INCORPORATED	CRD# 8209	CHICAGO, IL
IA	02/26/1998 - 04/02/2007	MORGAN STANLEY	CRD# 7556	CHICAGO, IL
B	06/22/1992 - 04/02/2007	MORGAN STANLEY DW INC.	CRD# 7556	CHICAGO, IL

### EMPLOYMENT HISTORY

Below is the representative's employment history for up to the last 10 years.

Employment Dates	Employer Name	Position	Investment Related	Employer Location
01/2021 - Present	DGB Management LLC	Proprietor/Owner	Y	Glenview, IL, United States
04/2018 - Present	RAYMOND JAMES & ASSOCIATES	REGISTERED ASSOCIATE	Y	CHICAGO, IL, United States
01/2015 - 04/2018	MORGAN STANLEY PRIVATE BANK, NATIONAL ASSOCIATION	FINANCIAL ADVISOR	Y	NEW YORK, NY, United States
06/2009 - 04/2018	MORGAN STANLEY SMITH BARNEY	Mass Transfer	Y	CHICAGO, IL, United States
04/2007 - 04/2018	MORGAN STANLEY & CO., INCORPORATED	MASS TRANSFER	Y	CHICAGO, IL, United States

### OTHER BUSINESS ACTIVITIES

This section includes information, if any, as provided by the representative regarding other business activities the representative is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious, or fraternal and is recognized as tax exempt.

(1) Name of Business: 921 Columbus LLC Address: Columbus, Wilmette, IL, 60091, United States Activity Type: Rental Real Estate Position/Title: Partner Investment Related: Yes Start Date: 01/10/2022 Hours per month devoted to this business: 0-1 Hours per month devoted to this business during trading hours: 0-1 Description of duties: This account is being formed by my late wife's family to deposit the proceeds from a rental residential house,



## Registration & Employment History



### OTHER BUSINESS ACTIVITIES

(2) Name of Business: DGB Family Partnership Address: Greenwillow, Glenview, IL, 60025, United States Activity Type: Rental Real Estate Position/Title: Partner Investment Related: Yes Start Date: 06/18/2018 Hours per month devoted to this business: 2-10 Hours per month devoted to this business during trading hours: 0-1 Description of duties: This account was formed by my late wife's family to invest the proceeds of the DGB Management LLC (residential real estate).

(3) Name of Business: DGB Management LLC Address: Greenwillow, Glenview, IL, 60025, United States Activity Type: Business Owner Position/Title: Owner/Proprietor Investment Related: No Start Date: 01/04/2021 Hours per month devoted to this business: 2-10 Hours per month devoted to this business during trading hours: 0-1 Description of duties: The LLC was formed to limit the liability of the owner, Occasionally, my work may include janitorial/maintenance.



## Disclosure Summary

### Disclosure Information

#### What you should know about reported disclosure events:

##### (1) Certain thresholds must be met before an event is reported to IARD, for example:

- A law enforcement agency must file formal charges before an Investment Adviser Representative is required to report a particular criminal event.;
- A customer dispute must involve allegations that an Investment Adviser Representative engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.

##### (2) Disclosure events in IAPD reports come from different sources:

As mentioned in the "About IAPD" section on page 1 of this report, information contained in IAPD comes from Investment Adviser Representatives, firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the IAPD report. The different versions will be separated by a solid line with the reporting source labeled.

##### (3) There are different statuses and dispositions for disclosure events:

- A disclosure event may have a status of *pending*, *on appeal*, or *final*.
  - A "pending" disclosure event involves allegations that have not been proven or formally adjudicated.
  - A disclosure event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
  - A "final" disclosure event has been concluded and its resolution is not subject to change.
- A final disclosure event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
  - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
  - A "settled" matter generally represents a disposition wherein the parties involved in a dispute reach an agreement to resolve the matter. Please note that Investment Adviser Representatives and firms may choose to settle customer disputes or regulatory matters for business or other reasons.
  - A "resolved" matter usually includes a disposition wherein no payment is made to the customer or there is no finding of wrongdoing on the part of the Investment Adviser Representative. Such matters generally involve customer disputes.

##### (4) You may wish to contact the Investment Adviser Representatives to obtain further information regarding any of the disclosure events contained in this IAPD report.



## DISCLOSURE EVENT DETAILS

When evaluating this information, please keep in mind that some items may involve pending actions or allegations that may be contested and have not been resolved or proven. The event may, in the end, be withdrawn, dismissed, resolved in favor of the Investment Adviser Representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to the Investment Adviser Registration Depository. Some of the specific data fields contained in the report may be blank if the information was not provided.

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	3
Termination	1

### Regulatory Event

This disclosure event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a federal regulator such as the Securities and Exchange Commission or the Commodities Futures Trading Commission, or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This disclosure event may also include a revocation or suspension of an Investment Adviser Representative's authority to act as an attorney, accountant or federal contractor.

#### Disclosure 1 of 3

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	Missouri
<b>Sanction(s) Sought:</b>	Civil and Administrative Penalty(ies)/Fine(s)
<b>Date Initiated:</b>	05/11/2023
<b>Docket/Case Number:</b>	AP-23-02
<b>URL for Regulatory Action:</b>	<a href="https://www.sos.mo.gov/CMSImages/Securities/AP-23-02.pdf">https://www.sos.mo.gov/CMSImages/Securities/AP-23-02.pdf</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	Morgan Stanley & Company
<b>Product Type:</b>	No Product
<b>Allegations:</b>	The Enforcement Section alleges violation of 409.4-412(d)(5)(c)
<b>Current Status:</b>	Final
<b>Resolution:</b>	Consent
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	05/11/2023
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s)



**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$6,000.00

**Portion Levied against individual:** \$6,000.00

**Payment Plan:** No

**Is Payment Plan Current:**

**Date Paid by individual:** 05/11/2023

**Was any portion of penalty waived?** No

**Amount Waived:**

**Regulator Statement** Respondent shall pay \$6,000 to the Missouri Secretary of State's Investor Education and Protection Fund upon execution of this Consent Order by Respondent. Respondent, his agents and employees, and all other persons participating in the above- described alleged violations with knowledge of this Order, are permanently enjoined and restrained from engaging in violation of Section 409.4-412(d)(5)(C), by engaging in conduct and/or activities subject to discipline under Section 409.4-412.

**Reporting Source:** Individual

**Regulatory Action Initiated By:** State of Missouri, Securities Division

**Sanction(s) Sought:** Monetary Penalty other than Fines

**Date Initiated:** 05/11/2023

**Docket/Case Number:** AP-23-02

**Employing firm when activity occurred which led to the regulatory action:** Morgan Stanley & Company

**Product Type:** No Product

**Allegations:** Missouri Securities Division determined that the activities which resulted in the individual's Acceptance, Waiver and Consent with FINRA, dated 5/3/2022, also violated MO Section 409.4-412(d)(5)(c).

**Current Status:** Final

**Resolution:** Consent

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Resolution Date:** 05/11/2023

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)

**Monetary Sanction 1 of 1**



**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$6,000.00

**Portion Levied against individual:** \$6,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:** 05/11/2023

**Was any portion of penalty waived?** No

**Amount Waived:**

**Disclosure 2 of 3**

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** Maryland Division of Securities

**Sanction(s) Sought:** Other: Consent Order

**Date Initiated:** 08/09/2022

**Docket/Case Number:** 20220229

**URL for Regulatory Action:**

**Employing firm when activity occurred which led to the regulatory action:** Raymond James & Associates, Inc.

**Product Type:** No Product

**Allegations:** Brendza was fined and suspended for various securities violations.

**Current Status:** Final

**Resolution:** Consent

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Resolution Date:** 08/09/2022

**Sanctions Ordered:** Censure  
Other: To withdrew his registration and not to reapply for a period as a broker-dealer, agent, investment adviser, or investment adviser representative in Maryland for a period of one year from the date of this Consent Order.

**Regulator Statement** See 13B.

**Reporting Source:** Individual

**Regulatory Action Initiated By:** State of Maryland, Securities Division



<b>Sanction(s) Sought:</b>	Other: Consent Order
<b>Date Initiated:</b>	08/09/2022
<b>Docket/Case Number:</b>	BD20220229
<b>Employing firm when activity occurred which led to the regulatory action:</b>	Morgan Stanley Smith Barney LLC
<b>Product Type:</b>	No Product
<b>Allegations:</b>	Maryland Securities Division issued order to show cause for suspension based on individual's Acceptance, Waiver and Consent with FINRA dated 5/3/22.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Consent
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	08/09/2022
<b>Sanctions Ordered:</b>	Prohibition Other: Prohibited from applying for registration in Maryland as a broker-dealer, agent, investment advisor or investment adviser representative for one year from date of Consent Order.

**Disclosure 3 of 3**

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	
<b>Date Initiated:</b>	05/03/2022
<b>Docket/Case Number:</b>	<a href="#">2018058614301</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	Morgan Stanley
<b>Product Type:</b>	No Product
<b>Allegations:</b>	Without admitting or denying the findings, Brendza consented to the sanctions and to the entry of findings that he caused his member firm's trade confirmations to show an inaccurate representative code by falsifying the representative code for trades in the firm's order entry system. The findings stated that Brendza entered into an agreement through which he agreed to service certain customer accounts, including executing trades for those accounts, under a joint representative code he shared with a representative who was planning on retiring in several years and an active representative who was part of Brendza's team and who is an immediate family member of Brendza. The agreement set forth what percentages of the commissions each representative would earn on trades placed using the applicable joint representative code. Subsequently, the parties amended the



agreement in writing to provide Brendza and the representative on his team with higher percentages of commissions earned for trades placed using the joint representative code than what was set forth in the original agreement. Brendza placed trades in accounts that were covered by the amended agreement using a representative code other than the one he should have used pursuant to the amended agreement. Although the firm's system correctly prepopulated the trades with the applicable joint representative code, Brendza changed the code for the trades to a different joint representative code. In addition, the representative on Brendza's team separately placed trades in accounts that were covered by the amended agreement using a representative code other than the one he should have used. As a result of these actions, Brendza and the representative on his team received higher commissions from the trades than what they were entitled to receive. Brendza did not ask the retiring representative whether he could change the code on the trades at issue and did not otherwise indicate to the retiring representative that he was doing so. Brendza mistakenly believed that the retiring representative had agreed that he could change the representative code so that Brendza and the representative on his team would receive even higher percentages of commissions than what was set forth in the amended agreement. In fact, the retiring representative had not agreed that Brendza could change the representative code. As a result, Brendza's firm paid restitution to the retiring representative. Brendza, together with the representative on his team, reimbursed the firm a total of approximately \$275,000, which is the approximate amount of additional commissions that they received from the trades as a result of them having falsified the representative code on the trades. The findings also stated that by falsifying the representative code on trades, Brendza caused his firm to maintain inaccurate books and records.

<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	05/03/2022
<b>Sanctions Ordered:</b>	Civil and Administrative Penalty(ies)/Fine(s) Suspension
<b>If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?</b>	No



**(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?**

**(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or**

**(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?**

**Sanction 1 of 1**

<b>Sanction Type:</b>	Suspension
<b>Capacities Affected:</b>	All capacities
<b>Duration:</b>	Six months
<b>Start Date:</b>	06/06/2022



**End Date:** 12/05/2022

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$5,000.00

**Portion Levied against individual:** \$5,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:** 05/11/2022

**Was any portion of penalty waived?** No

**Amount Waived:**

.....

**Reporting Source:** Individual

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**Date Initiated:** 05/03/2022

**Docket/Case Number:** [2018058614301](#)

**Employing firm when activity occurred which led to the regulatory action:** Morgan Stanley

**Product Type:** No Product

**Allegations:** Without admitting or denying the findings, Brendza consented to the sanctions and to the entry of findings that he caused his member firm's trade confirmations to show an inaccurate representative code by falsifying the representative code for trades in the firm's order entry system. The findings stated that Brendza entered into an agreement through which he agreed to service certain customer accounts, including executing trades for those accounts, under a joint representative code he shared with a representative who was planning on retiring in several years and an active representative who was part of Brendza's team and who is an immediate family member of Brendza. The agreement set forth what percentages of the commissions each representative would earn on trades placed using the applicable joint representative code. Subsequently, the parties amended the agreement in writing to provide Brendza and the representative on his team with higher percentages of commissions earned for trades placed using the joint representative code than what was set forth in the original agreement. Brendza placed trades in accounts that were covered by the amended agreement using a representative code other than the one he should have used pursuant to the amended agreement. Although the firm's system correctly prepopulated the trades with the applicable joint representative code, Brendza changed the code for the trades to a different joint representative code. In addition, the representative on Brendza's team separately placed trades in accounts that were covered by the amended agreement using a representative code other than the one he should have used. As a result of these actions, Brendza and the representative on his



team received higher commissions from the trades than what they were entitled to receive. Brendza did not ask the retiring representative whether he could change the code on the trades at issue and did not otherwise indicate to the retiring representative that he was doing so. Brendza mistakenly believed that the retiring representative had agreed that he could change the representative code so that Brendza and the representative on his team would receive even higher percentages of commissions than what was set forth in the amended agreement. In fact, the retiring representative had not agreed that Brendza could change the representative code. As a result, Brendza's firm paid restitution to the retiring representative. Brendza, together with the representative on his team, reimbursed the firm a total of approximately \$275,000, which is the approximate amount of additional commissions that they received from the trades as a result of them having falsified the representative code on the trades. The findings also stated that by falsifying the representative code on trades, Brendza caused his firm to maintain inaccurate books and records.

**Current Status:** Final

**Resolution:** Acceptance, Waiver & Consent(AWC)

**Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?** No

**Resolution Date:** 05/03/2022

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
Suspension

**Sanction 1 of 1**

**Sanction Type:** Suspension

**Capacities Affected:** All Capacities

**Duration:** 6 Months

**Start Date:** 06/06/2022

**End Date:** 12/05/2022

**Monetary Sanction 1 of 1**

**Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)

**Total Amount:** \$5,000.00

**Portion Levied against individual:** \$5,000.00

**Payment Plan:** 0.00

**Is Payment Plan Current:**

**Date Paid by individual:** 05/10/2022

**Was any portion of penalty waived?** No

**Amount Waived:**



## Termination

This disclosure event involves a situation where the Investment Adviser Representative voluntarily resigned, was discharged or was permitted to resign after allegations were made that accused the Investment Adviser Representative of violating investment-related statutes, regulations, rules or industry standards of conduct; fraud or the wrongful taking of property; or failure to supervise in connection with investment-related statutes, regulations, rules or industry standards of conduct.

### Disclosure 1 of 1

**Reporting Source:** Firm  
**Firm Name:** Morgan Stanley Smith Barney LLC  
**Termination Type:** Voluntary Resignation  
**Termination Date:** 04/23/2018  
**Allegations:** Allegations that the representative and another representative had not adhered to the terms of a revenue sharing agreement with a third representative by failing to use a joint production number for allocating certain revenue.  
**Product Type:** No Product

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**Reporting Source:** Individual  
**Firm Name:** Morgan Stanley Smith Barney LLC  
**Termination Type:** Voluntary Resignation  
**Termination Date:** 04/23/2018  
**Allegations:** Allegations that the representative and another representative had not adhered to the terms of a revenue sharing agreement with a third representative by failing to use a joint production number for allocating certain revenue.  
**Product Type:** No Product



## End of Report

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