UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 100453 / July 2, 2024

Admin. Proc. File No. 3-13099

In the Matter of

GUY S. AMICO and SCOTT H. GOLDSTEIN

ORDER DENYING MOTION TO VACATE SUPERVISORY BARS

On June 9, 2009, an administrative law judge issued an initial decision barring Guy S. Amico and Scott H. Goldstein (collectively, "Petitioners") from associating with any broker or dealer in a supervisory capacity, with a right to apply for reinstatement after two years.[1] After Petitioners filed, but then withdrew, a petition for review of the initial decision, the Commission issued a notice on July 23, 2010, that the initial decision and the order contained therein (the "Order") had become the final decision of the Commission.[2] Instead of applying for reinstatement to associate in a supervisory capacity, as the Order contemplates, Petitioners now move to vacate the supervisory bars entirely.[3] The Division of Enforcement opposes Petitioners' motion. For the reasons below, we deny Petitioners' motion.

I. Background

During the relevant period of September 2001 to October 2004,[4] Amico and Goldstein were president and CEO, respectively, of Newbridge Securities Corporation, a registered broker-

1 *Newbridge Sec. Corp.*, Initial Decision Release No. 380, 2009 WL 1684744, at *62 (June 9, 2009). Petitioners were also ordered to pay civil monetary penalties of $79,000 each. *Id.* The other respondents all settled with the Commission before the initial decision was issued. *Id.* at *1.

2 *Guy S. Amico*, Exchange Act Release No. 62565, 2010 WL 7765363 (July 23, 2010).

3 Although Petitioners have not sought reinstatement in a supervisory capacity, they have, as discussed below, sought (and been permitted) to associate in non-supervisory capacities.

4 Although the order instituting proceedings in this matter did not allege violations after October 2004, the initial decision considered additional supervisory failures by Petitioners that occurred "well after 2004" when determining sanctions. *Newbridge*, 2009 WL 1684744, at *59; *see also Newbridge Sec. Corp.*, Administrative Proceedings No. 3-13099, 2008 WL 2876595 (July 25, 2008) (instituting proceedings).

dealer. The Order found that Petitioners failed reasonably to supervise Daniel Kantrowitz, a former registered representative and trader at Newbridge. Specifically, Petitioners, who were responsible for supervising registered representatives, failed to ensure that Newbridge developed and implemented adequate written supervisory procedures for detecting market manipulation and improper quoting activity, reviewing instant messages, and reviewing the backgrounds of prospective employees. And Petitioners did not reasonably and effectively delegate their supervisory responsibilities over Kantrowitz and Newbridge's trading desk. As a result, Newbridge failed to prevent and detect Kantrowitz's participation in the sale of unregistered securities and in fraudulent schemes to manipulate the markets for the shares of two companies. For these failures, Petitioners were barred from associating with any broker or dealer in a supervisory capacity, with a right to apply for reinstatement after two years.[5]

On June 16, 2023, Petitioners filed this motion to vacate the supervisory bars. Because we find that vacating the bars would be inconsistent with the public interest, we deny their motion.

II. Analysis

The Order at issue here allows Petitioners to apply for reinstatement after two years to associate with any broker or dealer in a supervisory capacity. Petitioners have not sought that relief; instead, they seek to set aside their bars entirely. And even where an individual's request for reinstatement to continue associating with a broker or dealer notwithstanding a bar has been previously granted, the Commission has explained that the underlying bar "will remain in place in the usual case and be removed only in compelling circumstances."[6] By doing so, the Commission "retains its continuing control" over barred individuals' professional activities, because the bar allows the Commission or appropriate self-regulatory agency (subject to Commission review) to reject or restrict proposed positions in the capacities in which the petitioner was barred—safeguards that serve the public interest and protect investors.[7]

In reviewing motions to lift or modify bar orders, we thus consider whether, given the facts and circumstances presented, permitting the petitioner to function in the industry without the safeguards provided by the bar would be consistent with the public interest and investor protection.[8] Factors we consider include the nature of the misconduct at issue; the time that has passed and the petitioner's record of compliance since the bar's issuance; the petitioner's age and

---

5 *Newbridge*, 2009 WL 1684744, at *18, *40-62; *Amico*, 2010 WL 7765363.

6 *E.g., Edward I. Frankel*, Exchange Act Release No. 49002, 2003 WL 23094747, at *1, *4 (Dec. 29, 2003).

7 *Mark S. Parnass*, Exchange Act Release No. 50730, 2004 WL 2721406, at *2 (Nov. 23, 2004); *Frankel*, 2003 WL 23094747, at *4; *Stephen S. Wien*, Exchange Act Release No. 40239, 1998 WL 404638, at *2 (July 21, 1998).

8 *Gregory Osborn*, Exchange Act Release No. 86001, 2019 WL 2324337, at *2 (May 31, 2019).

securities industry experience; the extent to which the Commission has granted prior relief from the bar; whether the petitioner has identified verifiable, unanticipated consequences of the bar; and whether any other circumstance would cause the requested relief to be inconsistent with the public interest or the protection of investors.[9] Not all of these factors will be relevant in determining the appropriateness of relief in a particular case, and no one factor is dispositive.[10]

Weighing these factors here, we find that Petitioners have not shown compelling circumstances for vacating their bars and that granting such relief would be inconsistent with the public interest and investor protection.

A. Petitioners' misconduct was egregious and recurrent.

Petitioners' underlying misconduct was egregious. By failing to adequately supervise Kantrowitz, a registered representative and former trader, they fell short in their obligation to help prevent and detect Kantrowitz's willful violations of registration and antifraud provisions of the securities laws. Petitioners also failed to ensure that Newbridge implemented adequate written supervisory procedures for detecting market manipulation and improper quoting activity, reviewing instant messages, and reviewing the backgrounds of prospective employees. In addition, Petitioners did not reasonably and effectively delegate their supervisory responsibilities.

Petitioners attempt to downplay their supervisory failures by noting that they did not directly supervise Kantrowitz and that his misconduct did not result in what they describe as "public harm." But, as the Commission's Order found, Petitioners' failures led to "an institutional breakdown at Newbridge" that enabled Kantrowitz to profit from serious and extensive securities law violations involving the sale of unregistered securities and fraudulent schemes to manipulate shares in two companies.[11] Petitioners, the Order concluded, "demonstrate[d] a fundamental lack of comprehension regarding what constitutes reasonable supervision."[12] And while Petitioners argue that the Order did not impose "restitution, disgorgement or other equitable monetary relief" against them and allowed them to apply for

---

9 *Id*. Petitioners assert that they "also meet the factors that the Commission considers" under Commission Rule of Practice 193, 17 C.F.R. § 201.193. But that rule has no bearing on motions to vacate a bar or on membership continuance applications submitted to FINRA. *See Brett Thomas Graham*, Exchange Act Release No. 84526, 2018 WL 5734348, at *2 (Nov. 2, 2018) ("Rule of Practice 193 provides a process by which individuals barred from the securities industry can apply to the Commission for consent to become associated with certain registered entities, such as investment advisers, which are not members of an SRO.").

10 *Kenneth M. Haver, CPA*, Exchange Act Release No. 54824, 2006 WL 3421789, at *3 (Nov. 28, 2006).

11 *See Newbridge*, 2009 WL 1684744, at *40-58.

12 *Id.* at *59.

reinstatement after two years, the Order still found it appropriate to impose civil monetary penalties in addition to the supervisory bars against them.

Petitioners also argue that their conduct "was less egregious than that of other once-barred persons for whom the Commission has vacated a bar order"—citing *Ciro Cozzolino*[13] and *Robert Hardee Quarles*.[14] But, as noted, the nature of Petitioners' misconduct is only one factor we consider, no one factor is determinative, and our determination of whether to grant relief depends on the facts and circumstances of each case.[15] Here, even if the conduct in *Cozzolino* and *Quarles* was more egregious than that at issue here, Petitioners' supervisory violations were still serious. As we have repeatedly emphasized, "the responsibility of broker-dealers to supervise their employees is a critical component of the federal regulatory scheme."[16] And unlike in *Cozzolino* and *Quarles*, where respondents were able to demonstrate more than twenty years of compliance with applicable statutes and regulations,[17] Petitioners' firm Newbridge has had multiple supervisory compliance issues since Petitioners' bars were imposed, as discussed below.[18]

---

[13] Exchange Act Release No. 49001, 2003 WL 23094746 (Dec. 29, 2003) (involving a scheme to withhold shares from public sale and sell the withheld shares at inflated prices, accompanied by fraudulent representations).

[14] Exchange Act Release No. 66530, 2012 WL 759386 (Mar. 7, 2012) (involving the sale of unregistered securities and misleading customers regarding the nature and risks of those securities).

[15] *See supra* notes 8-10 and accompanying text.

[16] *E.g., Edward Beyn*, Exchange Act Release No. 97325, 2023 WL 3017562, at *13 (Apr. 19, 2023) (quoting *Robert Marcus Lane*, Exchange Act Release No. 74269, 2015 WL 627346, at *14 (Feb. 13, 2015)); *see also Bering Strait Sec., Inc.*, Exchange Act Release No. 76307, 2015 WL 6575667, at *12 (Oct. 29, 2015) ("Effective supervision and controls are critical 'investor protection tools' to help 'identify and prevent abusive practices.'" (quoting *Duties of Brokers, Dealers, and Inv. Advisers*, Exchange Act Release No. 69013, 2013 WL 771910, at *27 (Mar.1, 2013))).

[17] *See generally Quarles*, 2012 WL 759386, at *3 (granting relief where more than 26 years had passed, with no further regulatory or compliance problems, since the bar was imposed); *Cozzolino*, 2003 WL 23094746, at *4 (granting relief where more than 29 years had passed since the bar was imposed and Cozzolino had been permitted subsequent associations that did not result in regulatory interest).

[18] *Cf. John Gardner Black*, Exchange Act Release No. 70318, 2013 WL 4737370, at *5-6 (Sept. 4, 2013) (denying motion to vacate despite lack of any apparent disciplinary record since the imposition of a bar 15 years earlier).

B. Although Petitioners have remained in the industry and obtained prior relief from FINRA, their firm has had regulatory issues surrounding its supervision.

We recognize that Amico, who is sixty years old, and Goldstein, who is fifty-seven, both have significant securities experience, having both been registered persons in the securities industry for about thirty-six years. Both have also been employed with Newbridge for more than twenty years.[19] Indeed, Petitioners have remained employed in the securities industry, in part, because they obtained relief from FINRA from certain consequences of their supervisory bars through their firm's membership continuance applications (form MC-400) to continue associating with Petitioners as general securities representatives and investment banking representatives notwithstanding their supervisory bars.[20] Newbridge also applied to continue associating with Petitioners as general securities principals.[21]

But during this time in the industry, Petitioners' firm has continued to have a troubling supervisory regulatory history. Petitioners are controlling principals of the holding company that owns Newbridge, and Petitioners admit that "their primary responsibilities" at Newbridge "involve participating in business strategy and development decisions." Since the bars became final, FINRA and state regulators have brought nineteen disciplinary actions against Newbridge, at least eight of which involved supervisory failures, including permitting the sale on Newbridge's platform of an alternative mutual fund that pursued a risky strategy, failing to enforce Newbridge's prohibition on non-traditional exchange-traded funds, failing to supervise

---

[19] *See* BrokerCheck Reports for Guy Steven Amico, https://files.brokercheck.finra.org/individual/individual_1723157.pdf (last visited June 28, 2024), and Scott Howard Goldstein, https://files.brokercheck.finra.org/individual/individual_1630008.pdf (last visited June 28, 2024); *see also Michael Albert DiPietro*, Exchange Act Release No. 77398, 2016 WL 1071562, at *1 n.1 (Mar. 17, 2016) (taking official notice of BrokerCheck reports pursuant to Rule of Practice 323).

[20] Because the Order barred Petitioners under Exchange Act Section 15(b)(4)(E), they were statutorily disqualified under Exchange Act Section 3(a)(39)(F). *See* 15 U.S.C. §§ 78c(a)(39)(F), 78o(b)(4)(E); *Meyers Assocs.*, Exchange Act Release No. 86193, 2019 WL 2593825, at *11 (June 24, 2019) ("Exchange Act Section 3(a)(39)(F) provides that a person . . . is subject to a statutory disqualification if the person has committed any act enumerated in Exchange Act Section 15(b)(4)(E)."). FINRA's rules and by-laws generally prevent a person who is statutorily disqualified from associating or continuing to associate with a FINRA member firm unless the firm successfully pursues the membership continuance process on the person's behalf. *See* FINRA By-Laws, Art. III, §§ 3(b), 3(d), 4; FINRA Rules 9521-27.

[21] Newbridge later amended these applications, and their status is unclear. Although the parties dispute some of the specifics around the applications, we assume for purposes of this opinion that the applications have not yet been approved through no fault of either Amico or Goldstein.

the sale of structured products, and failing to establish and maintain adequate supervisory systems and written procedures relating to private offerings and outgoing wires.[22]

We therefore also do not find the time elapsed since the bars and Petitioners' claims of having taken remedial steps since imposition of their bars to weigh in favor of vacating them. Petitioners contend, for example, that the specific violative conduct underlying the supervisory bars "cannot recur" because Newbridge has exited the "market-making business," which was the department in which Kantrowitz committed his violations. Petitioners also contend that Newbridge has terminated Kantrowitz's direct supervisor and its former chief compliance officer and that Petitioners have "overseen [Newbridge's] substantial overhaul of its supervisory system." But such steps do not outweigh our concerns about—nor have they apparently prevented—Newbridge's troubling regulatory history.

C. Petitioners have not established any other factor that weighs in favor of vacating their bars.

Petitioners represent that they have no "current plans to resume direct supervisory responsibilities" at Newbridge, or to associate with any other broker or dealer in a supervisory capacity, but claim that their supervisory bars have hindered Newbridge's clearing and settlement relationships, having "a depressive effect upon [their] ability to attract new business" and on a potential sale of Newbridge. Even if true, none of these consequences are unanticipated, as they arise from the bars themselves and are natural and foreseeable consequences of the Commission's Order.[23]

Petitioners also contend that the provision in the Order allowing them a right to file for reinstatement after two years "was an important contractual consideration" when they decided to withdraw their petition for review of that Order. To the extent Petitioners are suggesting that their decision to withdraw their appeal of the Order weighs in favor of vacating their bars, we reject that contention. As noted above, Petitioners voluntarily elected to forgo further challenges

---

[22] *See* BrokerCheck Report for Newbridge Securities Corp., https://files.brokercheck.finra.org/firm/firm_104065.pdf (last visited June 28, 2024).

[23] *See, e.g.*, *Fred F. Liebau*, Exchange Act Release No. 92353, 2021 WL 2863016, at *2 (July 8, 2021) (holding that petitioner's "desire to remove the blemish on his record and restore his professional reputation . . . are not unanticipated; they arise from the bar itself and are natural and foreseeable consequences of the Order" (internal quotations omitted)); *Stephen S. Wien*, Exchange Act Release No. 49000, 2003 WL 23094748, at *5 (Dec. 29, 2003) (concluding that hindering dealings with prospective business associates is not an unanticipated consequence of a bar).

to the bars,[24] and Petitioners remain free to apply for reinstatement with a broker or dealer in a supervisory (or other) capacity. But for us to vacate the bars entirely, Petitioners must show compelling circumstances—which they have not done.

* * *

For the above reasons, we find that Petitioners have not demonstrated compelling circumstances to justify vacating the supervisory bars against them and that it would be inconsistent with the public interest to do so. Instead, we conclude that keeping Petitioners' supervisory bars in place will enable the Commission to retain its continuing control over Petitioners' professional activities in furtherance of the public interest and investor protection.[25]

Accordingly, IT IS ORDERED that the motion of Guy S. Amico and Scott H. Goldstein to vacate the supervisory bars that became effective against them pursuant to the Commission's July 23, 2010, finality notice, be, and it hereby is, DENIED.

By the Commission.

Vanessa A. Countryman
Secretary

---

[24] *Cf. Sampson v. Radio Corp. of Am.*, 434 F.2d 315, 317 (2d Cir. 1970) (affirming denial of a motion to vacate a judgment, explaining that such a motion "cannot be used to avoid the consequences of a party's decision to settle . . . litigation or to forego an appeal from an adverse ruling"); *Osborn*, 2019 WL 2324337, at *3 (denying request to modify order imposing bar, noting that petitioner's decision to settle was a "calculated and deliberate" choice and that "he cannot be relieved of such a choice now" (internal quotations omitted)).

[25] *See John Jantzen*, Exchange Act Release No. 82201, 2017 WL 5969251, at *1 (Dec. 1, 2017) (denying motion to modify associational bar, explaining that "[p]reserving the status quo ensures that the Commission, in furtherance of the public interest and investor protection, retains its continuing control over such barred individuals' activities" (citation omitted)).