

September 23, 2019

Finra Teaches Another Lesson: Don't Delegate Test-Taking

by [Vicky Ge Huang](https://advisorhub.com/team/vicky-ge-huang/) |

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In another reminder of why brokers should resist cutting compliance corners, the Financial Industry Regulatory Authority has fined and suspended an Oppenheimer & Co. broker who allegedly had his client service associate complete his continuing education modules for four years.

David C. Vanech, a Providence, R.I. broker who has been with Opco for nine of his 12 years in the securities industry, agreed to a three-month suspension and \$3,000 fine, according to a letter of acceptance, waiver and consent posted by the Financial Industry Regulatory Authority.



Vanech, who signed the agreement last week, without admitting or denying Finra's findings, did not respond to a request for comment.

"The suspension shows that Finra is taking these things very seriously," said James Heavey, a securities lawyer at New York-based Barton LLP. "It goes back to the integrity of the regulatory scheme, and Finra's ability to show the brokers it means business when it comes to keeping up-to-date with their obligations to clients."

Vanech admitted his misconduct to Oppenheimer during an internal investigation this year, according to the consent letter. The three-month suspension gives him plenty of time to remediate his study abuses. He agreed to complete the ten hours of courses he had delegated within two months of signing the agreement.

"This isn't the first time that has happened," Debra Jenks, a securities lawyer at Palm Beach Gardens, Florida-based Jenks & Harvey LLP, said of delegating what many veteran advisors consider nuisance compliance tasks. "It's, unfortunately, more common in the electronic age, and it just isn't smart."

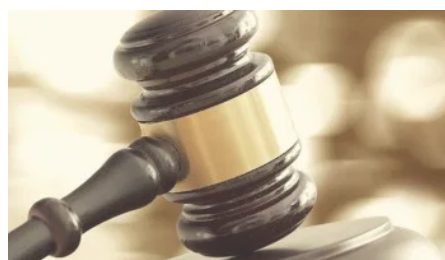
Continuing-ed misconduct (<https://advisorhub.com/merrill-ousts-star-chicago-broker-whose-team-includes-niece-of-firms-wealth-boss/>) is among a growing number of behaviors raising ethical issues that regulators and firms have been scrutinizing. Brokers in recent years have gotten into trouble for marketing certifications (<https://advisorhub.com/nyc-investment-adviser-fined-faking-cfp-credential/>) they never received and college degrees (<https://advisorhub.com/ex-merrill-broker-lesson-high-cost-college/>) they were never awarded.

Dawn Bennett, an advisor who recently received a 20-year fraud sentence, was earlier banned by the Securities and Exchange Commission (<https://advisorhub.com/breaking-sec-judge-fines-radio-show-advisor-dawn-bennett-4-1-mln/>) for inflating her investment record and assets under management.

Finra charged Vanech with violating its Rule 2010, a dictum encompassing a wide range of behavior that requires brokers and their firms to uphold "high standards of commercial honor and just and equitable principles of trade." He had his CSA stand in for him from January 2014 through February 2018, according to the consent letter.

Prior to joining Oppenheimer in August 2010, Vanech worked for almost four years at Morgan Stanley in Boston, according to his previously clean BrokerCheck history.

In 2018, he was listed as #652 on Forbes (<https://www.forbes.com/profile/david-vanech/#7752938465af>)' list of America's Next Gen Wealth Advisors. His team managed about \$300 million in assets, it said.



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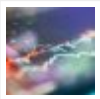
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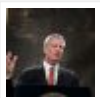
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