

March 31, 2022

Security and Exchange Commission

100 F Street, NE

Room 10915

Washington, D.C. 20549

RE: Appeal by Bruce Zipper and Dakota Securities Intl. To Letter and Decision by FINRA dated 3/16/2022. Complaint No. 2016047565702.

The Case in Question here is about two issues that both FINRA and The NAC were serious enough to bar both Bruce Zipper and Dakota Securities Intl. from the Securities Industry.

Issue # 1. That Bruce Zipper used a rep code on client's confirmation ticket that said the broker of record was both Christian McNamee and Bruce Zipper. The issue was that Chris McNamee had left the company in December of 2015 and the trades in question happened in the year 2016. FINRA'S issue was that since Mr. McNamee left the firm in late 2015, the rep code used by Zipper was incorrect and thus FINRA claims Zipper FALSIFIED Dakota's books and records by using an incorrect rep code.

My Argument: Firstly, I want to describe what the rep code is. This rep code lets the client know which broker is executing his or her trade. 99.9% of clients neither know what this rep code is nor could care less about it. Please take note that in 2016 was the only employee of the firm which all his clients knew about. FINRA, on the other hand, feels that this violation is important enough to bar a broker and the broker's firm from the industry forever. I will now describe what I did relating to this issue that FINRA feels so strongly about.

The Commission should know that since inception in 2004, Dakota Securities Intl. was a two-man brokerage firm. Those two people were Bruce Zipper and Christian McNamee. In December of 2015 Chris McNamee left the firm due to

health issues and Bruce Zipper ran the firm as a one-man firm from that time forward. Knowing that Chris McNamee was the broker of record in certain states for the firm, one being the State of New Jersey, I had to withdraw our registration from this state in order to be compliant with FINRA's state registration policy if we intended to any business there. So, in December of 2015 I called the State of New Jersey's Department of Securities and withdrew our membership and registration with them. (Please look at my exhibit "A"). The State of New Jersey, however, is one of the very few states that you can get an exemption from registration if you have 5 or fewer accounts in your firm that trades in New Jersey. That is exactly what I did. I applied for an exemption because Dakota Securities only had 3 accounts on its books that traded there. The trades in question regarding the rep code issue all happened in the year 2016 and were related to the State of New Jersey. The reason I used the joint rep code listing both Bruce Zipper and Chris McNamee as the executing brokers was because to change a rep code designation could take time and I didn't want our clients there to be hurt with delay if they wanted to make a trade during that transition time to change the broker rep code names. So, what I did was to call all my clients in the State of New Jersey and inform them what was happening and ASK THEIR PERMISSION to use the joint rep code of Zipper and McNamee until I get the rep code issue fixed. When I called these clients from New Jersey they not only gave me their permission but thanked me for thinking of them and avoiding any chance of delaying any trades they wanted to make. This issue of the wrong rep code first came up during a routine exam by FINRA of Dakota Securities Intl. in 2016. The examiner asked me if I used the joint rep code and I said yes, I did. The examiner then asked if I got the clients permission to do so and I again said yes, I did. The next time this issue came up was in my MC-400 application hearing held in Boca Raton, Florida. At that hearing, I was asked under oath again, did I use the joint rep code on the trades in New Jersey. I again answered yes, I did. The panel at that hearing asked the same question as the FINRA examiner did which was, did you their permission to do so? Again, under oath, I said yes, I did. Here is where this issue turns into showing FINRA's bias against me which was rather shocking to me when I found out what they had did. About 10 days after my MC-400 hearing FINRA went behind my back and without telling me and called each of the clients in question relating to the broker code issue in question. They asked my clients did Bruce Zipper call and ask your permission to use the broker code DS03,

which was Zipper and McNamee, for their trades going in to 2016? Each client said yes, he did ask, and their permission was given. However, FINRA didn't stop there. FINRA then went on a fishing expedition with each client. FINRA was asking questions to my clients not relating to the rep code issue anymore but rather trying to dig up any dirt they could on Mr. Zipper about how Mr. Zipper dealt with each of them. Each client proceeded to tell FINRA that Zipper was their broker as well as Mr. McNamee for the last 25 years and has been nothing but a fantastic broker for them. They each went on to say they didn't appreciate what FINRA was trying to imply with their questions in trying to put Zipper in a bad light. One of the clients, Dr. Jan Ziegler, told FINRA if they ever called him back with this *nonsense, he would sue them for lack of privacy and harassment.* Dr. Ziegler called me after this FINRA call and told me what FINRA was asking. He was very upset and asked me where he could file a complaint. I found out and told him to contact the FINRA Ombudsman and tell them what happened, and you want to file a complaint. He did this and this should be in the record with the FINRA Ombudsman. FINRA never did call another client of mine again! I suppose the Commission doesn't see any bias toward Zipper here by FINRA does it? You should take notice that FINRA in all their motions and briefs never mentions their behavior relating to this issue with these calls to my clients and how they were told off by each of them. I wonder if the Commission is interested or just doesn't care. You see though whenever the issue of Zipper asking permission to use the rep code in question comes up FINRA never denies it. Now you know why!! You see now they can't say Zipper FALSIFIED his books and records unless they find another source that might have been deceived. Zipper told FINRA in 2016 on 2 different occasions he used the rep code in question, so they knew about it. Zipper then called and asked his clients permission and received it, so they knew and approved it so who was left to try and get to allow them to use the word FALSIFIED? *Oh, let's try the State of New Jersey. Zipper was trying to avoid registration fees and thus FALSIFIED this rep code issue with the State of New Jersey.* Please refer to FINRA's letter to you on July 24, 2019. (Exhibit B). Here you see what I am telling you in black and white and as clear as the nose on your face. FINRA says in the footnote 20 on page 25 even if Zipper got permission from his clients, he still falsified his books and records by avoiding registration fees to the State of New Jersey. Really? Please refer again to Exhibit (A) where it shows Zipper and Dakota withdrawing from the State of New Jersey in DECEMBER of

2015! There were no registration fees due or owed because we weren't registered there anymore. You see FINRA must find somewhere that Zipper FALSIFIED his records or the sanction and penalties they put on him and the firm wouldn't stand up otherwise! Zipper FALSIFIED NOTHING TO ANYBODY! FINRA knew that and were caught in having to lie to you to justify their actions. Mr. Commission please note this next sentence. FINRA has said that the exhibit I finally got in March of 2021 from the State of New Jersey stating in fact that I DID WITHDRAW from registration in December of 2015 was no big deal and meant nothing and changes nothing right? This is comical. I sent the exhibit in question to the NAC in late March of 2021 evidencing the fact that I did in fact withdraw myself and firm from the State of New Jersey as I said all along. It didn't take two days when I am sent a motion by FINRA to the NAC stating I cannot use this exhibit!! It is untimely, it is irrelevant! Can't be used! Well, as you can see FINRA's crying foul was not listened to in favor of the truth! Desperate, Desperate, to find Zipper FALSIFIED his books. I want the commission to just look at what Zipper did which is the opposite of FALSIFYING his books and records. 1. Informed FINRA what I did. 2. Asked and received permission from my clients to use the rep code in question. 3. Went to the State of New Jersey and withdrew my membership and AVOID registration and to comply with FINRA's rules. No! not only didn't I falsify any records and books, but I also did the exact OPPOSITE! I did everything in my power to COMPLY with the rules. This mind you after all I have told you and backed up with evidence is an issue that FINRA tells you I and my firm should be banned for life. I am asking the Commission to review carefully the issue of Zipper FALSIFYING his books and records and come up with a ruling who is correct in whether Zipper FALSIFIED (intending to lie and deceive) his books and records either FINRA or Zipper. FINRA has slandered both me and my family with saying I falsified documents over 27 times on the internet for all the world to see. It is not true. I need you tell me Mr. Commission, who I intentionally lied to or tried to deceive in putting the rep code in question to. WHO? If you don't agree with my argument and rubber stamp the NAC's motion, please do me one favor and do it expeditiously so I can get to Federal Court and give my argument there. One other thing I want to mention here before going on to Issue # 2 in this matter. The SEC since inception of this case has repeatedly said they don't see any bias by FINRA in this case. Not withstanding what I have shown the commission above shows me rather obvious bias but I want to remind the commission how this case

started. I received a letter from FINRA in 2016 stating I needed to be in Washington, D.C. for the MC-400 hearing to get back into the industry. I had to ask FINRA if I could attend the hearing by phone or in the alternative have the hearing take place in Boca Raton, Fl. About 2 hours from where I live. In my letter asking for this I told them I am financially not able to afford this trip. That is due to expenses relating to my wife fighting [REDACTED] and what that did to our financial situation. Well, I got a response about 3 days later. Request DENIED. And not only denied Mr. Zipper, but if you don't show up your case will be dismissed. This is who I am dealing with. Again Mr. Commission, no bias here, right? Only when I sent a letter to the SEC describing what was being done to me and my family did suddenly, a letter comes to me three days later from FINRA reversing their decision. What if I didn't reach out to the SEC? In the end when you start putting together what I am showing you here in this motion and if you don't see bias by FINRA towards me and my family then the word bias has no meaning.

Issue # 2. Zipper repeatedly answered emails to clients and vendors while on 90-day suspension:

FINRA states that Zipper had the temerity to send emails to some of his clients and vendors while on a 90-day suspension. Can you believe he did this? Well, let's now exam the facts before you get yourself all worked up. Isn't it important that you hear BOTH sides of the story before rendering your opinion?

Fact # 1. In 2016 Zipper was the only employee of Dakota Securities International. He wore all the hats of the company. Zipper had a series 7 license, a series 4 license, a series 24 license, and a series 27 license as the companies FINOP. Zipper had them all and needed to have them all to run Dakota Securities by himself which he did from December of 2015 forward. Zipper's clients were with him for the better part of 30 years and were not just clients but more like family. After signing the AWC for his 90-day suspension in 2016 in Boca Raton, Fl. At the office of FINRA he meets with Kevin Rosen. Kevin Rosen was at the time the attorney for FINRA who helped draft the AWC for Bruce Zipper. The meeting took place in the conference room at the FINRA offices in Boca Raton. In the conference room Zipper and Rosen were the only two people in the room. I say to Kevin, listen I am

a one-man business as you know. I want to ask you this question. What if while I am on this 90-day suspension a situation comes up where I am the only one who knows the answer to that situation. I think a very reasonable and fair question that is likely to come up knowing I am a one-man business. The person and broker I asked to fill in for the company in my absence was Robert Lefkowitz. A friend of mine but didn't know the operation totally of the firm and did not know most of my clients as well. I mention this to Mr. Rosen, and he looks at me and says, I am aware of the unusual situation at your firm being a one-man business. And I said that's right, and I am asking if that situation comes up where I am the ONLY one who knows the answer, can I resolve the issue and go back to my suspension? After thinking a minute Mr. Rosen yes Bruce if that is all you do and then go back to your suspension that would be OK. Fine, that's great Kevin see you down the road. Does the commission think that what I asked was reasonable under the conditions I found myself in being a one-man business? Do you think I am lying about this? Well, that is EXACTLY what happened that day. So, Did I respond to some emails while on suspension? I certainly did and I thought I had every right to do so if I was the only one who could answer that question. Does the commission feel either the firm or more importantly the client of the firm should suffer without an answer to a question when only I knew the answer? I, as stated earlier have been their only broker for 30 years and know them and their accounts as they were my own. If I didn't answer their inquiry, they would be hurt and that isn't fair to them. Does the commission think I would be stupid enough to send a return email during my suspension if I didn't think I had the right to do so? I could have easily called the client or vendor from my home if my intention was to not honor my suspension. I have been in this business for over 30 years and have had no less than 25 FINRA exams. EVERY exam looks at and reviews all company emails. Does the commission think I didn't know that? Again, do you think my intent was to send a company email that I KNEW was going to be reviewed if I didn't think I had the right to do so? Of course not! So, what happens when Mr. Rosen, at my MC-400 hearing, is asked the question, did Mr. Zipper ask you for permission to solve an issue at the firm while he was on suspension, and he was the only one who could answer it? Mr. Rosen says, I don't remember that question but if he did, I would tell him no he couldn't. That is a lie. I am asking the commission in this he said, he said, who do you think is telling the truth. Ask yourself this. Does what Mr. Zipper supposedly asked Mr. Rosen ring true to you.

If you were in my position as a one-man company do you think what I asked was reasonable and prudent so not to hurt either the firm or the client that should not be hurt in this situation. And if asked, what would you say? What if a 30-year client of yours asked a question about a trading situation from a month ago and only you knew about it and how to fix it. What would you do? Let the client be hurt? Of course not. I am asking the commission to please review the testimony of Dawn Colange, the FINRA supervisor of our firm. At first, when asked the question from the FINRA attorney, is there ever a time Ms. Colange that if Zipper asked if he was the only one who could solve an issue with the firm would you let him do so and then return to his suspension? Her answer, absolutely not! Then *continue reading to when Ms. Colange is asked the same question under cross examination and says the opposite when confronted with the exact situation I am talking about.* It seems that the person running Dakota at the time of my suspension called Ms. Colange stating that Zipper is the only one to answer a problem and could I call him to do so and then go back to suspension. Her answer was YES he could. See if you can square that with who is telling the truth and who is lying. (I think it was Mr. Cuccia, Dakota's Temporary FINOP was asking MS. Colange this question at the MC-400 hearing). It seems at FINRA in Boca Raton, Fl. One employee lies and the other swears to it. I am asking the commission to think this through clearly. Put yourself in my position. A one-man company on a 90-day suspension. Do you think what I asked Mr. Rosen was reasonable? Do you think Zipper might have been thinking of his clients first? Do you think my intent was to go around my 90-day suspension and email back my clients if I didn't think I had the right to do so? Particularly when I could have picked up a phone and CALLED them? Does that ring true to you? Or is it maybe Zipper was being set up to get caught in a gotcha situation by FINRA trying to trap me. No, I emailed back my clients who had questions only I could answer, and I did so because I thought I had the RIGHT TO DO SO!

CONCLUSION:

On the issue of Zipper putting a joint rep code on a client's confirmation ticket.

FINRA has continually told the commission that I am guilty of FALSIFYING Dakota Securities books and records. FINRA has put that accusation, as if it is fact, all over

the internet thus destroying my and my family's reputation. I plan on going to Federal Court and suing both FINRA and any other regulatory body that agrees with FINRA's accusation for slander and defamation. I have told this commission what I did and showed evidence to prove I was right. I am only asking the commission to review what I have said and ask FINRA about what they said and to defend their position that I in fact FALSIFIED documents and in what way did I? Please refer to the exhibit (B) I sent for your review. Ask this question? Why did you say Zipper is guilty of FALSIFYING his records because he was trying to avoid New Jersey's registration requirements when FINRA KNEW back in 2015 that I WITDREW my and my firms' registration? I'll tell you why. They put that comment back on page 25 of their letter dated July 24, 2019, in a small footnote to both hide it and think the commission would not check if this was true. And they were RIGHT, you didn't look, didn't care, never asked FINRA about it. They knowingly lied to you because they had to keep the word FALSIFYING true, and they can't because it isn't TRUE! I have shown you all what I have done to make sure I DIDN'T FALSIFY ANYTHING! Don't you know that FINRA controls ALL areas of broker and broker-dealer state registrations. Don't you know a trade put in by a brokerage firm cannot be entered if they aren't registered in that state? Well, then how do you explain Dakota putting all those trades in the state of New Jersey when you see we WITDREW from registration in 2015? FINRA KNOWS! ASK THEM! Because the only way that could have been done is with an EXEMPTION. I asked for and received that exemption in 2015 and FINRA KNEW and APPROVED IT or NO trades could have ever been executed there! FINRA has kept telling you all along that Zipper did this and Zipper did that in the State of New Jersey. They knew from 2015 EXACTLY what Zipper and Dakota Securities did but wouldn't tell you because it destroys their narrative of Zipper FALSIFYING records. Ask them why they lied to you when they knew all along what Zipper did or didn't do! You have been had I'm afraid.

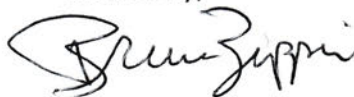
FAIRNESS: The SEC mentioned in its decision to remand this case back to FINRA and the NAC that they haven't seen where Zipper and Dakota Securities were a danger to the investing public. FINRA keeps saying to you we are. Not only did we not endanger the investing public, but the opposite is true. I have nothing but letters and phone calls thanking me for the way I handled them and their situations. Not a complaint, not a penny lost, only thanks for helping them. And I

am a danger to the investing public? The SEC also commented that FINRA has the duty to be remedial in its sanctions and not punitive. If the SEC after this brief concludes that the NAC and FINRA are being remedial with their sanctions and bars for life from the industry for both Zipper and the firm Dakota Securities, (who are one in the same by the way, talk about double punishment,) in their actions please do me a favor. Just rubber stamp their decisions and let me go to Federal Court in an expeditious fashion to plead my case there. My last point. And I will close with this argument. I was told by FINRA every year since I started Dakota Securities in 2004 that no matter what size company you are all broker dealers would be treated the same. The size of the firm matters not. This was told to me for 13 YEARS. There will never be a two-tiered standard separating the small from the big. NO double standard, ever. Really?

Zipper and Dakota Securities got thrown out of the industry forever for putting a wrong rep code on certain trades (please note Zipper's name was on all trades in question) and then Zipper and Dakota Securities were thrown out additionally for having the audacity to reply to a client's mail where he was the only one to know the answer and thought he had the right to do so. These are the offenses we were charged with and the penalties we received for them. No danger to the investing public, no complaints from clients, only letters and calls of thanks for helping them. Now let's compare that situation with the company Wells Fargo Financial. They were found guilty of felony fraud for bilking their clients out of millions of dollars a few years ago. Multiple felonies, clients losing millions! The last I looked Wells Fargo is doing business as usual. Pay a big fine paid and don't worry about a thing. However, Zipper and Dakota Securities are a danger to the investing public and Wells Fargo gets to go on. That seems FAIR. No Double Standard Here. No two-tiered system here. Do you think if Wells Fargo couldn't have paid a couple of billion in fines they would still be here? Do you think the rich get to go on and the small get thrown out because they don't matter and can't PAY? I am counting the days till I can stand in front of a Judge and tell my story of FINRA and the regulators. Organizations with immunity and unfettered power that can do what they please with no fear of punishment or retribution because they take this power as others have and abuse it. That is not fair. That should not stand, and I

will do everything in my power to try and change it. Thank you for your consideration

Sincerely,

A handwritten signature in black ink that reads "Bruce Zipper". The signature is written in a cursive style with a large initial "B" and "Z".

Bruce Zipper

I am sending a copy of this appeal motion to FINRA at their Washington, D.C. Address.



Exhibit "A"

bruce zipper <brucezipper@gmail.com>

(ORIGINAL)

From: Dakota Securities International, Inc (CRD#: 132700)

message

Re: [Redacted]
[Redacted]

Mon, Mar 29, 2021 at 2:50 PM

Received 04/04/2022

From: Sandi Griswold <GriswoldS@dca.njoag.gov>

Sent: Wednesday, March 24, 2021 9:36 AM

To: bruce zipper <brucezipper@outlook.com>

Subject: RE: Dakota Securities International, Inc (CRD#: 132700)

Good Afternoon:

This is a follow up letter to your request received by the State of New Jersey Bureau of Securities ("Bureau") to your inquiry regarding broker-dealer firm Dakota Securities International, Inc. an Miami, Florida base firm and individual Mr. Bruce Zipper.

Accordingly to the Bureau's records the firm filed for initial broker-dealer registration on or around March 9, 2005, and it was approved on April 11, 2005. Dakota Securities International, Inc. broker-dealer registration was withdrawn in the State of New Jersey on December 21, 2015,

According to FINRA records for Dakota Securities International it shows that Mr. Zipper was the contact person from August 19, 2004, until August 3, 2016, when Mr. Robert Lefhowitz replaced Mr. Zipper.

And with regards to the De minimis exemptions they are self-executing and are all inclusive. Specifically, as long as the firm has 5 or less NJ accounts (note not clients) within any 12 consecutive month period OR the total number of NJ transactions don't exceed 15 within any 12 consecutive month period, the de minimis exemption would apply.

Should you have any further questions or concerns please feel free to contact the Bureau.

Sandi Griswold
Investigator
New Jersey Bureau of Securities
153 Halsey Street, 6th Floor

securities laws are “important both to monitor the financial status of broker-dealers and to protect public investors.” *First Colo. Fin. Servs. Co., Inc.*, 53 S.E.C. 843, 847 (Sept. 1998). Violations of these provisions “are serious, and adversely impact the monitoring function exercised by regulatory authorities.” *Id.* Dakota’s customers’ purported approval of the firm’s inaccurate books and records, even if true, has no bearing on Zipper’s and Dakota’s liability, nor does the alleged absence of customer harm. *See Kirlin Sec., Inc.*, Exchange Act Release No. 61135, 2009 SEC LEXIS 4168, at *68 n. 93 (Dec. 10, 2009) (“[W]e have held that FINRA’s authority to enforce its rules is independent of a customer’s decision not to complain.”).²⁰

D. Dakota Failed to Supervise Its Business and Associated Persons

The NAC found that Dakota failed to establish, maintain, and enforce a system of written supervisory procedures to supervise its business and associated persons, in violation of FINRA Rules 3110 and 2010. Dakota does not dispute that it engaged in this misconduct. Regardless, the evidence abundantly supports this finding.

FINRA Rule 3110(a) requires that each FINRA member establish and maintain a supervisory system to supervise the activities of each associated person that is reasonably designed to achieve compliance with the federal securities laws and FINRA rules. “The duty of supervision includes the responsibility to investigate ‘red flags’ that suggest that misconduct may be occurring and to act upon the results of such investigation.” *Michael T. Studer*, 57 S.E.C.

²⁰ Zipper objects to the use of the word “falsify” to describe his and Dakota’s misconduct because, he contends, “falsify” means “to alter so as to mislead,” and his customers were not misled. The record shows, however, that Zipper and Dakota intended to mislead regulators in order to avoid New Jersey’s registration requirements. Zipper and Dakota therefore falsified Dakota’s books and records by intentionally misidentifying the representative of record on certain transactions. *See, e.g., United States v. Rowland*, 826 F.3d 100, 108 (2d Cir. 2016) (“Dictionary definitions thus confirm that, in common usage, it is acceptable to say that someone ‘falsifies’ a document when he creates a document that misrepresents the truth.”).