

another member firm. He is therefore subject to FINRA's jurisdiction pursuant to Article V, Section 2 of the FINRA By-Laws.

SOLE CAUSE OF ACTION

Threatening and Harassing Statements to Blackbook and its Associated Persons (Violation of FINRA Rules 2010 and 5240)

3. The Department realleges and incorporates by reference paragraphs 1-2 above.

4. Gadelkareem first became associated with Blackbook on July 15, 2013.

Approximately nine months later, on April 7, 2014, Blackbook terminated Gadelkareem's employment.

5. According to the Uniform Termination Notice for Securities Industry Registration (Form U5) filed by Blackbook on April 21, 2014, Gadelkareem "was terminated for repeatedly engaging in unprofessional conduct in workplace, including without limitation, threatening and abusive interaction with female employees."

The Commencement of Gadelkareem's Abusive and Threatening Communications

6. In retaliation for his termination, Gadelkareem sent a series of offensive emails and made phone calls in which he disparaged, threatened and harassed Blackbook, its President, F.O., and a registered representative who worked at Blackbook named D.H.

7. Two days after his termination from Blackbook, on Wednesday, April 9, 2014, Gadelkareem left an obscene and highly insulting voicemail message for D.H.

8. The next day, on Thursday, April 10, 2014, Gadelkareem sent three emails from his personal AOL account to R.W., who was one of Blackbook's owners. The emails to R.W. made accusations about DH including unauthorized trading, involvement in fraudulent deals and engaging in sexual relations with an office employee.

9. On Friday, April 11, 2014, the Firm notified Gadelkareem by email that it intended to sue Gadelkareem for libel and that Blackbook would be withholding his unpaid commissions as security against the claims that it intended to assert against him.

10. In response, on Saturday, April 12, and Sunday April 13, 2014, Gadelkareem sent several additional harassing emails and left three harassing voicemails for D.H.

Gadelkareem’s Threatening and Abusive Communications During His Association with a Member Firm

11. On Wednesday, April 16, 2014, Gadelkareem became associated with another FINRA member firm. The same day, he sent an email to a FINRA examiner claiming that he and his clients were being “abused by Blackbook” and alleging that the Firm was wrongfully holding his paycheck and his personal belongs.

12. Later that afternoon, the FINRA examiner responded by email and asked to speak with Gadelkareem the following day regarding his claims.

13. In an attempt to intimidate Blackbook and force a settlement, on the evening of April 16, 2014, Gadelkareem forwarded his exchange with FINRA’s examiner separately to D.H. and R.W. with the following threats demanding that Blackbook pay him his commissions and return his property:

To D.H.: “Settlement ..., my money 100 % pay out and my stuff or I will keep going !!!! [*sic*]”

“Every small thing, my phone charger, my calculator Every thing [*sic*]”

To R.W.: Settlement, Or you want me to continue”

14. Later that day, , Blackbook again demanded in writing that Gadelkareem stop defaming Blackbook and harassing its employees.

15. On Friday, April 18, 2014, Gadelkareem emailed Blackbook stating that he had filed a complaint against Blackbook with the police and reported the Firm to FINRA, and threatening to report the Firm to the New York Attorney General. In the same email, Gadelkareem then offered to drop all charges that he made with the police and FINRA if Blackbook paid him all his commissions and returned his property. That same day, via email, Blackbook rejected the proposal.

16. On about April 22, 2014, Gadelkareem learned that Blackbook had reported on his Form U5 that he was terminated for harassing female employees.

17. In retaliation, on the morning of April 23, 2014, Gadelkareem sent an email to D.H. purporting to forward an email from a FINRA examiner named Steven McMellon (who does not actually exist), in which the examiner states, among other things, that D.H. is going to be arrested.

18. Later that morning on April 23rd, Gadelkareem sent another broker at Blackbook text messages suggesting that the FBI was “coming after” D.H.

19. In reality, there was no examiner at FINRA named Steven McMellon and the April 23, 2014 email was fabricated using a real FINRA investigator’s signature block and contact information.

20. FINRA Rule 2010 requires registered representatives and associated persons to adhere to high standards of commercial honor and just and equitable principles of trade.

21. FINRA Rule 5240(a)(3) provides in relevant part that: “No member or person associated with a member shall: ... engage, directly or indirectly, in any conduct that threatens, harasses, coerces, intimidates or otherwise attempts improperly to influence another member, a person associated with a member, or any other person.”

22. Gadelkareem made harassing, and intimidating threats against Blackbook and its associated persons, and impersonated a FINRA examiner, in connection with a dispute over his termination and the payment of commissions. As a result, Gadelkareem violated FINRA Rules 5240 and 2010.

RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under NASD Rule 8310(a), including monetary sanctions, be imposed; and
- B. order that the Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with NASD Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT



Date: April 13, 2015

David Monachino, Senior Litigation Counsel
Samuel Barkin, Senior Regional Counsel
Lara Thyagarajan, Chief Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street
New York, New York 10281-1003
Phone: 212-858-4074
Email: Samuel.Barkin@finra.org