

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING) Order Number S-08-251-08-SC01
Whether there has been a violation of the)
Securities Act of Washington by:) STATEMENT OF CHARGES AND NOTICE
) OF INTENT TO SUSPEND SECURITIES
) SALESPERSON REGISTRATION AND
JUSTIN C. LASALLA;) IMPOSE FINES
)
Respondents)

THE STATE OF WASHINGTON TO: Justin C. LaSalla (CRD #4370421)

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent Justin C. LaSalla has violated the Securities Act of Washington. The Securities Administrator believes the violations justify the suspension of Justin C. LaSalla’s securities salesperson registration pursuant to RCW 21.20.110(1) and imposition of fines pursuant to RCW 21.20.110(1). The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I. RESPONDENT

I.

1. Justin C. LaSalla (“LaSalla”) is an individual residing in the State of New York. LaSalla has been registered with the Washington State Securities Division as a securities salesperson for ITRADEDIRECT.COM from October 24, 2007 to present.

1 **II. NATURE OF THE CONDUCT**

2 2. LaSalla filed a Chapter 7 bankruptcy petition in U.S. Bankruptcy Court for the Eastern
3 District of New York on July 23, 2007. The Court entered an Order Discharging Chapter 7
4 Debtor(s) and Final Decree on November 7, 2007.

5 3. Form U-4, the Uniform Application for Securities Industry Registration or Transfer
6 form, must be completed in order to register as a securities salesperson and must be timely
7 amended to reflect any changes. The Form U-4 asks the applicant whether, within the past ten
8 years, he or she has “filed a bankruptcy petition.” LaSalla filed 16 amendments to his U-4 after
9 November 7, 2007 and answered “no” to that question each time. An amended U-4 filing
10 reflecting the bankruptcy was finally made on June 18, 2008.

11 4. LaSalla, as an associated person of a member of FINRA (formerly NASD), must
12 comply with the NASD Conduct Rules. His false answer on the Form U-4 violates NASD IM-
13 1000-1, Filing of Misleading Information as to Membership or Registration, and NASD Conduct
14 Rule 2110, Standards of Commercial Honor and Principles of Trade.

15 5. LaSalla, under WAC 460-22B-060, has a duty to update his application, within thirty
16 days, if an event occurs that causes a salesperson’s application to be inaccurate. His filing for a
17 Chapter 7 bankruptcy on July 23, 2007 made his application inaccurate and required an update
18 within 30 days. The failure to amend the U-4 to reflect the bankruptcy until June 18, 2008
19 violates WAC 460-22B-060.
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22 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are
23 made:

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CONCLUSIONS OF LAW

1. Justin C. LaSalla, as described above, filed a securities salesperson application with the State of Washington that contained a statement which was, at the time and in the light of the circumstances in which it was made, false or misleading in respect to a material fact in violation of RCW 21.20.350.

2. The conduct of LaSalla, as described above, is grounds for suspension of his salesperson registration and grounds for imposition of a fine pursuant to RCW 21.20.110(1)(a) & (b).

3. Justin C. LaSalla, as described above, violated WAC 460-22B-060. Such conduct is a dishonest or unethical business practice as defined by WAC 460-22B-090(19). Such conduct is grounds for the suspension of his salesperson registration pursuant to RCW 21.20.110(1)(g).

NOTICE OF INTENT TO SUSPEND REGISTRATION

Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that the securities salesperson registration of the Respondent be suspended for three (3) months.

NOTICE OF INTENT TO IMPOSE FINES

Pursuant to RCW 21.20.110(1) and (4), and based upon the Tentative Findings of Fact and Conclusions of Law, the Securities Administrator intends to order that the Respondent shall be liable for and pay a fine of \$2,500.

AUTHORITY AND PROCEDURE

This Statement of Charges is entered pursuant to the provisions of RCW 21.20.110 and is subject to the provisions of RCW 21.20.120 and Chapter 34.05 RCW. The Respondent may

1 make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO
2 DEFEND AND OPPORTUNITY FOR HEARING accompanying this order.

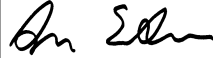
3 If the Respondent does not request a hearing, the Securities Administrator intends to
4 adopt the above Tentative Findings of Fact and Conclusions of Law as final and enter a
5 permanent order against the Respondent suspending the Respondent's securities salesperson
6 registration and imposing the fine sought.
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8 Dated and Entered this 26th day of August, 2008

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11 MICHAEL E. STEVENSON
12 Securities Administrator

13 Approved by:

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15 Suzanne Sarason
16 Chief of Compliance

17 Presented by:

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19 Jack McClellan
20 Financial Legal Examiner
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