

SCHULMAN'S FRAUDULENT TRADING SCHEME

4. On September 16, 2015, FINRA accepted the AWC in which Schulman consented to findings, without admitting or denying, that included:

- a. From in or about December 2014 through in or about May 2015 (the "Relevant Period"), Schulman was a bond trader for Vandham and was authorized to make bond trades in Vandham's proprietary account.
- b. During the relevant period, Schulman maintained a personal brokerage account at Vandham.
- c. During the relevant period, Schulman effected approximately 23 bond transactions between Vandham's proprietary account and his personal brokerage account through which he caused Vandham to: (1) sell bonds to his personal account and then promptly thereafter to repurchase the same bonds from his personal account at a higher price; (2) sell bonds to his personal account at a substantial discount.
- d. Schulman determined the trading price in these transactions and always provided himself with a disproportionate financial gain to Vandham's detriment.
- e. Schulman's trading scheme resulted in an illicit profit to Schulman of approximately \$30,000, and a corresponding loss to Vandham.

5. In the AWC, Schulman consented, without admitting or denying, to findings that by engaging in the fraudulent trading scheme, Schulman willfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, and violated FINRA Rules 2020 and 2010.

6. On September 16, 2015, FINRA and the National Adjudicatory Council Review Committee accepted the AWC, which included Schulman's consent to a sanction barring him from association with any FINRA member in any capacity.

CONCLUSIONS OF LAW

SCHULMAN IS THE SUBJECT OF AN ORDER OF A SELF-REGULATORY ORGANIZATION EXPELLING HIM FROM A SELF-REGULATORY ORGANIZATION

N.J.S.A. 49:3-58(a)(1)

N.J.S.A. 49:3-58(a)(2)(vi)

7. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

8. Pursuant to N.J.S.A. 49:3-58(a):

[t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant ... (vi) ... is the subject of an order of ... a self-regulatory organization ... suspending or expelling him from a national securities or commodities association...

9. Having consented to a permanent bar from association with any FINRA member, Schulman has effectively been expelled from a self-regulatory organization. This is cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vi), to revoke Schulman's agent registration.

10. Based upon the foregoing, and pursuant to N.J.S.A. 49:3-58(a)(1), the revocation of Schulman's registration as an agent and certain exemptions is in the public interest.

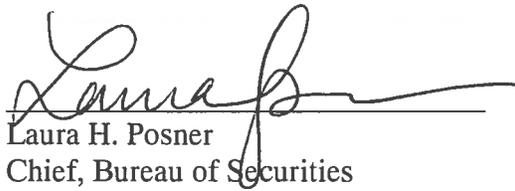
CONCLUSION

For the reasons stated above, it is on this 20th day of June, 2016:

ORDERED that the agent registration of Matthew P. Schulman be **REVOKED**; and it is further

ORDERED that Schulman is denied all exemptions contained in N.J.S.A. 49:3-50 subsections (a) paragraph 9, 10, and 11 and subsection (b); and it is further

ORDERED that the exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c) and N.J.S.A. 49:3-56(g) are hereby denied.



Laura H. Posner
Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., specifically, N.J.S.A. 49:3-58(c), the Bureau Chief shall entertain on no less than three days' notice, a written application to lift the summary revocation on written application of the applicant or registrant and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the applicant or registrant a written statement of the reasons for the summary revocation.

This matter will be set down for a hearing if a written request for such a hearing is filed with the Bureau within 15 days after the respondent receives this Order. A request for hearing must be accompanied by a written response, which addresses specifically each of the allegations set forth in the Order. A general denial is unacceptable. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney.

Orders issued pursuant to this subsection to suspend or revoke any registration shall be subject to an application to vacate on 10 days' notice, and a preliminary hearing on the order to suspend or revoke any registration shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

If no hearing is requested, the Order shall be entered as a Final Order and will remain in effect until modified or vacated. If a hearing is held, the Bureau Chief shall affirm, vacate, or modify the order in accord with the findings made at the hearing.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action revoking your registration, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.