

**NATIONAL FUTURES ASSOCIATION
BEFORE THE
BUSINESS CONDUCT COMMITTEE**

FILED

MAR 30 2022

NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

In the Matter of:)
)
COQUEST INCORPORATED)
(NFA ID #232575),)
)
JOHN ALAN VASSALLO)
(NFA ID #221551),) NFA Case No. 22-BCC-001
)
and)
)
DENNIS TODD WEINMANN)
(NFA ID #206270),)
)
Respondents.)

DECISION

Having reviewed the Complaint issued by the Business Conduct Committee (Committee) of the National Futures Association (NFA) in the above-captioned case, having considered the Offer of Settlement (Offer) submitted by Coquest Incorporated (Coquest), John Alan Vassallo (Vassallo), and Dennis Todd Weinmann (Weinmann) (collectively Respondents), and having accepted their Offer, this Committee hereby issues this Decision as to Respondents.

I

ALLEGED VIOLATIONS OF NFA REQUIREMENTS

On January 5, 2022, this Committee issued a Complaint against Respondents. Respondent Coquest is an introducing broker, commodity trading advisor, and NFA Member headquartered in Dallas, Texas. Respondents Vassallo and Weinmann are associated persons (APs) and principals of Coquest and are NFA Associate Members.

Count I of the Complaint alleged that Coquest violated NFA Bylaw 1101 by doing futures business with an affiliate that was not a Member of NFA but was required to be registered with the Commission. Count II of the Complaint alleged that Coquest and Vassallo violated NFA Compliance Rule 2-4 by negligently misrepresenting to NFA that this non-Member affiliate was eligible for an exemption from CFTC registration; and that Vassallo further violated Compliance Rule 2-4 by facilitating a decade-long violation of NFA Bylaw 1101, both while serving as an AP and principal of a former Member firm and while serving as an AP and principal of Coquest. Count III of the Complaint alleged that Coquest violated NFA Compliance Rule 2-26 by failing to establish the rules, procedures, and controls required by CFTC Regulation 155.4(a). Count IV of the Complaint alleged that Respondents violated NFA Compliance Rule 2-9(a) by failing to diligently supervise.

II

OFFER OF SETTLEMENT

Respondents submitted an Offer in which they neither admitted nor denied the allegations of the Complaint and proposed to settle the charges against them as follows: Coquest would pay a fine of \$275,000 to NFA, of which amount Vassallo would share with Coquest liability for \$150,000 on a joint and several basis, within 30 days after the effective date of this Decision; and Coquest would establish the rules, procedures, and controls required by CFTC Regulation 155.4(a) within 30 days after the effective date of this Decision. Respondents acknowledged in their Offer that any Decision accepting the Offer would include findings that Coquest violated NFA Bylaw 1101 and NFA Compliance Rules 2-4, 2-9(a), and 2-26; that Vassallo violated NFA Compliance Rules 2-4 and 2-9(a); and that Weinmann violated NFA Compliance Rule 2-9(a).

III

FINDINGS

Pursuant to the Offer, this Committee finds that Coquest violated NFA Bylaw 1101 and NFA Compliance Rules 2-4, 2-9(a), and 2-26; that Vassallo violated NFA Compliance Rules 2-4 and 2-9(a); and that Weinmann violated NFA Compliance Rule 2-9(a).

IV

PENALTY

Having considered the matter and having accepted the Offer submitted by Respondents, this Committee hereby orders Coquest to pay a fine of \$275,000 to NFA, of which amount Vassallo shall share with Coquest liability for \$150,000 on a joint and several basis, payable within 30 days after the effective date of this Decision; and orders Coquest to establish the rules, procedures, and controls required by CFTC Regulation 155.4(a) within 30 days after the effective date of this Decision.

This Decision and the Offer shall not be used as a sole basis for any other action or proceeding by NFA against Respondents, including any registration matter, except this Decision and the Offer may be used in an action to enforce the terms thereof or in a subsequent disciplinary action or regulatory action, where they may be considered as disciplinary history and as evidence in aggravation on the issue of sanctions.

**NATIONAL FUTURES ASSOCIATION
BUSINESS CONDUCT COMMITTEE**

Date: 3/30/2022

By: Eric L. Wolff
Chairperson