

Malecki Law Announces the Filing of an Expedited Group FINRA Arbitration Against Securities America, Inc. for NINE Defrauded Investors Claiming Failure to Supervise Alleged Ponzi Schemer Hector May

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NEW YORK, June 15, 2018 /PRNewswire/ -- Malecki Law filed an expedited FINRA arbitration complaint today for nine investors from Upstate New York, Northern Virginia and Long Island, New York alleging that Securities America, Inc. failed to supervise its registered representative Hector May and failed to audit his remote Securities America office, which is alleged to have in essence allowed his alleged Ponzi-type fraud to persist for many years. Through these alleged supervisory shortcomings, it is alleged that Securities America's Inc. aided and abetted fraudulent practices conducted by its registered representative as well as in his disclosed, approved SEC registered investment advisor, Executive Compensation Planners, Inc. "At some point, a license to sell securities can become a license to steal when there is inadequate supervision of these remote brokerage firm offices,"

offered well-known securities attorney Jenice Malecki.

Executive Compensation Planners was supposed to solicit wrap fee programs through Securities America according to its Form ADV filed with the SEC. Instead, as alleged in the FINRA pleading, Mr. May had wires sent and checks written directly to Executive Compensation Planners; created fictitious statements; and pocketed client funds. Mr. May reported managing \$18 million in his Form ADV. Mr. May's FINRA BrokerCheck report indicates that Hector May, who was at Securities America since 1998, was terminated for misappropriation of clients' assets just after the Department of Justice initiated a criminal investigation into his suspected felony, investigations are also open by the U.S. Postal Inspectors and the United States Securities and Exchange Commission.

Prior to his alleged conduct coming to light, Hector May was widely known with an excellent reputation within his New York Community, often sponsoring charities - "clients now want to know if he was using their money to be charitable," said Jenice L. Malecki, Esq., a securities lawyer in New York. Mr. May's wife, daughter and other family members are alleged to have worked with him.

On June 6, 2018, the United States Attorney in the Southern District of New York, Mr. May and his wife agreed to an asset freeze on consent, including his company assets.

"Securities America has no less than 52 Regulatory actions reported on its FINRA BrokerCheck record, 29 arbitrations and 5 of the regulatory matters appear to relate to remote office promissory note schemes involving apparent failures to supervise. What are the regulators waiting for in charging Securities America, Inc., more victims? Malecki Law is not waiting, we are filing today!" said Attorney Malecki.

The nine victims range from a 32-year-old man who inherited the money he gave to Mr. May when his mother and grandfather died to a severely ill

couple in their late 70s who lost their entire life savings and may have to sell their house and live with their children now. Mr. May's apparent victims also include people who perceived him as their very best friend. "In my opinion, he looted from anyone that trusted him and lacked the sophistication to catch the fraud. We also have evidence that suggests his family was involved. Like Madoff, we allege that he created fictitious 'bond account' statements and it is hard to believe that Mr. May, himself a senior, could have conducted this operation all on his own or that a supervising and auditing broker-dealer could have missed this," securities fraud attorney Jenice Malecki comments.

It is alleged that Securities America missed many obvious red flags indicative that Hector May had been engaging in fraudulent activity, such as Hector May's businesses, emails, files, computers, bank accounts and other evidence of the fraud.

Many FINRA and SEC issued securities industry reminders about remote office supervision were issued during Hector May's twenty plus years registered unemployment under Securities America. In just 2012, FINRA issued Regulatory Notice 01-79 which warned firms to review their procedures for fraud detection given the rise in Ponzi-related schemes.

In the past, Malecki Law has filed similar very successful claims on behalf of investors defrauded by their broker in consequence to a brokerage firm's inadequate supervisory system. A few years ago, Malecki Law attorneys successfully filed a very similar complaint against several major brokerage firms for their failure to supervise Robert H. Van Zandt in the Bronx, who engaged in practices that appear to be similar to that executed by Hector May.

For further information about Hector May in relation to Securities America or Executive Compensation Planners, please call or email Jenice Malecki at 212-943-1233 or jenice@maleckilaw.com. Malecki Law has a uniquely diverse background with experience representing clients in securities and

investment fraud issues. Malecki Law hosts a website providing information and resources dedicated to the securities industry:
www.AboutSecuritiesLaw.com.

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