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# Hughes Hubbard & Reed

## Ignatius Grande was quoted in Reuters

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Ignatius Grande was quoted in Reuters regarding a broker who was fined and suspended last week after posting a statement on Facebook that violated Financial Industry Regulatory Authority (FINRA) rules.

The Sept. 16 article explained that Charles Matisi's 2012 Facebook post objected to a bulletin board posting mentioning a Barton's article that cautioned against buying Arena Pharmaceuticals Inc.'s stock, considering the challenges it faced to bring a key weight loss drug to market. Since he omitted material information, including the fact that he and 33 of his customers owned shares of Arena Pharmaceuticals, his firm concluded that he violated its social media policy and he resigned from MML Investor's Services, a unit of Massachusetts Mutual Life Insurance Co.

On Sept. 11, FINRA found that Matisi's Facebook post was "not fair and balanced" and assessed a \$5,000 civil fine and 10-day suspension as part of a settlement agreement in which Matisi neither admitted nor denied FINRA's allegations. "It's a little case, but it's pretty educational," said Grande, who was described as a "New York-based lawyer who advises companies on social media issues." "Whatever you write, you have to expect it's going to come back to haunt you."

Grande also told Reuters that a recent FINRA effort to check on how firms are using social media and policies they have in place could yield more such cases. In June, the regulator began collecting details from firms about their social media use and monitoring, among other things, he said.

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