

FINRA Bars Former Cambridge Broker for Allegedly Stealing Trust Funds

The Financial Industry Regulatory Authority has barred former Cambridge broker, William J. Michero, who was fired by the broker-dealer for allegedly misappropriating trust funds through his outside activity as a trustee.

FINRA claims that from April 2018 until February 2021, Michero transferred more than \$263,000 from the trust accounts to his own account without authorization and used the funds to pay for his personal expenses.

At the time, he was associated with Cambridge and served as the trustee for a senior beneficiary's accounts at another FINRA member firm and at two additional financial institutions. He reportedly disclosed the outside business activity to Cambridge in May 2018.

According to FINRA, conversion is the "intentional and unauthorized taking of...property by one who neither owns the property nor is entitled to possess it," a violation of Rule 2010 which requires the observance of "high standards of commercial honor and just and equitable principles of trade."

Conversion violates Rule 2010 even when it occurs outside the scope of a registered representative's employment because it calls into question their ability to fulfill fiduciary duties in handling other people's money, FINRA said.

Michero spent 12 years at Cambridge before being discharged in mid-August. He signed the letter of acceptance, waiver and consent without admitting or denying FINRA's findings.

FINRA said that the matter originated from a regulatory tip.

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