

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

YOUSUF SALJOOKI  
(CRD No. 5045123),

Respondent.

Disciplinary Proceeding  
No. 2019063626702

Hearing Officer–MJD

**DEFAULT DECISION**

October 15, 2020

**Respondent is barred from associating with any FINRA member firm in any capacity for failing to comply with requests for information and documents and failing to provide testimony during a FINRA investigation, in violation of FINRA Rules 8210 and 2010.**

*Appearances*

For the Complainant: Melissa J. Turitz, Esq., and Jeff Fauci, Esq., Department of Enforcement, Financial Industry Regulatory Authority.

For the Respondent: *Pro se*.

**DECISION**

In early 2020, FINRA began investigating Respondent Yousuf Saljooki’s possible involvement in undisclosed outside business activities. Pursuant to FINRA Rule 8210, FINRA staff requested that Respondent provide information and documents and appear at an on-the-record interview (“OTR”) to give sworn testimony. Respondent did not produce the information and documents requested and did not appear for testimony. As a result, I find that he violated FINRA Rules 8210 and 2010 and bar him from associating with any FINRA member firm in any capacity.

The Department of Enforcement properly served Respondent with two Notices of Complaint and the Complaint. Respondent did not file an Answer to the Complaint. On June 29, 2020, Enforcement filed a Motion for Entry of Default Decision (“Default Motion”) supported by the Declaration of Enforcement counsel Melissa J. Turitz (“Turitz Decl.”) and 19 exhibits (CX-1 through CX-19).

On July 20, 2020, after the time within which a response to the Default Motion was due,<sup>1</sup> Respondent left a voicemail message for the case administrator assigned to this case. When he spoke with the case administrator later that day, Respondent represented that he did not attend the OTR Enforcement scheduled during the investigation because of the coronavirus pandemic. Respondent also stated that he wanted to produce the documents requested by Enforcement.

On July 21, 2020, I scheduled a pre-hearing conference for July 23, at which time I heard from the parties regarding Respondent's failure to answer the Complaint. Respondent requested an opportunity to respond to Enforcement's Default Motion. Enforcement did not object. I therefore declined to rule on the Default Motion and, for good cause shown, granted Respondent leave to file an opposition to the Default Motion, which he did on July 31.<sup>2</sup> On August 24, I ordered Respondent to file an Answer by September 14, 2020. Respondent failed to file an Answer that comported with FINRA Rule 9215. Later, he also failed to appear at two pre-hearing conferences and at a hearing on an order to show cause why he should not be held in default. Accordingly, I have issued an order finding Respondent to be in default.

For the reasons set forth below, I find Respondent in default for failing to file a rule-compliant Answer and for failing to appear at two pre-hearing conferences and the show cause hearing. Accordingly, I grant Enforcement's Default Motion, deem the facts alleged in the Complaint admitted pursuant to FINRA Rules 9215(f) and 9269(a), and impose sanctions.

## **I. Findings of Fact and Conclusions of Law**

### **A. Respondent's Background**

Respondent entered the securities industry in 2005. He was registered with Worden Capital Management LLC ("Worden") from December 2017 until April 2018 as a general securities representative.<sup>3</sup> On April 20, 2018, Worden filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") terminating Respondent's registration.<sup>4</sup>

In July 2019, Respondent submitted a Letter of Acceptance, Waiver of Consent ("AWC") in which he consented to findings by FINRA, without admitting or denying the findings, that he had willfully failed to disclose a federal tax lien on his Uniform Application for Securities Industry Registration or Transfer ("Form U4"). Respondent's willful conduct subjected him to statutory disqualification pursuant to FINRA's By-Laws and Section 3(a)(39)(F) of the Securities Exchange Act of 1934.<sup>5</sup> In the AWC, Respondent also consented to findings that he

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<sup>1</sup> Under FINRA Rule 9146(d), Respondent had 14 days from the date of service of the Default Motion to file a response.

<sup>2</sup> Although Respondent filed his Opposition on July 31, 2020, it was dated July 28, 2020.

<sup>3</sup> Turitz Decl. ¶ 13; CX-7, at 3-4, 14.

<sup>4</sup> Turitz Decl. ¶¶ 13-14; CX-8.

<sup>5</sup> See CX-19, at 2-4.

violated FINRA Rules 8210 and 2010 by failing to timely respond to four requests for documents and information sent to him between October 2018 and January 2019. Respondent did not respond to the requests until June 2019. Respondent was suspended for nine months from associating in any capacity with any member firm and fined \$20,000.<sup>6</sup>

### **B. Jurisdiction**

Respondent was last registered with FINRA on April 20, 2018. Although he is not currently associated with a FINRA member firm, FINRA has jurisdiction over this disciplinary proceeding pursuant to Article V, Section 4(a) of FINRA's By-Laws because (i) the Complaint was filed on April 7, 2020, within two years of the effective date of the termination of Respondent's association with a member firm, and (ii) the Complaint charges him with failing to comply with requests for information from FINRA and failing to attend an OTR while subject to FINRA's jurisdiction.<sup>7</sup>

### **C. Origin of the Investigation**

FINRA began an investigation in 2019 into the possible participation by a relative of Respondent in undisclosed outside business activities. During the investigation, in early 2020, the relative provided information to FINRA suggesting that Respondent may also have participated in undisclosed outside business activities while associated with Worden, a potential violation of FINRA Rule 3270.<sup>8</sup> Enforcement staff then sought information and documents from Respondent and requested that he attend an OTR.<sup>9</sup> The investigation, together with Respondent's failure to provide information and documents and attend an OTR, led to the filing of the Complaint in this disciplinary proceeding.

### **D. Respondent Defaulted by Failing to (i) Answer the Complaint, (ii) Appear at Two Pre-Hearing Conferences, and (iii) Appear at a Show Cause Hearing**

Enforcement served Respondent with the First and Second Notices of Complaint and the Complaint in accordance with FINRA Rules 9131 and 9134. Enforcement served the First Notice of Complaint and Complaint on April 7, 2020, and the Second Notice of Complaint and Complaint on May 6, 2020. In each case, Enforcement served Respondent by certified mail, return receipt requested, and by first-class mail, to the last known residential address recorded in FINRA's Central Registration Depository ("CRD") and to a second address in Roslyn, New York, that Respondent had provided to the staff in a telephone conversation during the

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<sup>6</sup> CX-19.

<sup>7</sup> Turitz Decl. ¶¶ 16-18.

<sup>8</sup> Turitz Decl. ¶¶ 4-5.

<sup>9</sup> Turitz Decl. ¶¶ 7-8.

investigation.<sup>10</sup> Respondent thus received valid notice of this proceeding.<sup>11</sup> Enforcement also emailed the First and Second Notices of Complaint and Complaint to Respondent using a personal email address he provided during the investigation.<sup>12</sup>

On April 15, 2020, Respondent sent Enforcement an email acknowledging that he had received notice of the disciplinary proceeding. He said he had been unable to respond to the information requests because his wife was pregnant and because of restrictions caused by the coronavirus pandemic. Enforcement responded the next day via email. Enforcement asked Respondent to provide support for his statements about why he could not produce the information requested and reminded him that he had to file a response to the First Notice of Complaint by May 5, 2020. Respondent did not respond to Enforcement's request and did not answer the Complaint.<sup>13</sup>

Pursuant to FINRA Rule 9215, Respondent was required to file an Answer or otherwise respond to the Second Notice of Complaint by May 26, 2020. Respondent did not. On May 29, I issued an Order instructing Enforcement to file a Default Motion. On June 29, Enforcement filed a Default Motion.<sup>14</sup>

I held a pre-hearing conference on July 23, 2020, after Respondent had contacted the case administrator assigned to this case on July 20. At the pre-hearing conference, Respondent stated that responding to FINRA's requests was not "top priority" at the time because he had a newborn baby and he "had a lot going on" and it was "a very difficult time."<sup>15</sup> During the call, Respondent requested an opportunity to respond to the Default Motion. Respondent filed his Opposition on July 31. He said that he could not devote "100% of [his] attention to [FINRA's] requests" because his first child was born in January 2020 and his wife was bedridden after a

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<sup>10</sup> Turitz Decl. ¶¶ 19-20, 22, 36. FINRA staff spoke with Respondent on February 19, 2020. Respondent stated that he currently resided at the Roslyn, New York, address but that he also went to the CRD address to retrieve his mail. Turitz Decl. ¶ 20. The certified mail return receipt for the First Notice of Complaint mailed on April 7, 2020, sent to the CRD address, was received by Enforcement. The First Notice of Complaint sent to the Roslyn, New York, address was delivered on April 10, 2020, according to U.S. Postal Service records. Turitz Decl. ¶¶ 27-28; CX-12; CX-13.

<sup>11</sup> See, e.g., *Dep't of Enforcement v. Evansen*, No. 2010023724601, 2014 FINRA Discip. LEXIS 10, at \*20-21 & n.21 (NAC June 3, 2014), *aff'd*, Exchange Act Release No. 75531, 2015 SEC LEXIS 3080 (July 27, 2015).

<sup>12</sup> Turitz Decl. ¶¶ 21, 24, 38; CX-11, at 1; CX-17, at 1.

<sup>13</sup> Turitz Decl. ¶¶ 31-35; CX-14; CX-15.

<sup>14</sup> According to the Certificate of Service, Enforcement served Respondent with the Default Motion at the CRD and Roslyn, New York, addresses via first-class and certified mail, return receipt requested, and via email.

<sup>15</sup> Transcript of July 23, 2020 Pre-Hearing Conference ("Tr.") 15-16. At the pre-hearing conference, Respondent confirmed his email address and said that the Roslyn, New York, address was his current residence. According to Respondent, his brother currently lives at his CRD address. Tr. 7.

difficult pregnancy. He also stated that when the coronavirus began spreading he could not risk travel into New York City for an OTR.<sup>16</sup>

Even though Respondent did not explain why he failed to answer the Complaint, I elected not to grant Enforcement's Default Motion at that time and gave Respondent an opportunity to file an Answer. Accordingly, on August 24, 2020, I ordered Respondent to file an Answer by September 14 that complied with FINRA Rule 9215, which governs answers to complaints.<sup>17</sup> Citing Rule 9215(b), the August 24 Order instructed Respondent to admit, deny, or state that he does not have and is unable to obtain sufficient information to admit or deny each allegation of the Complaint.<sup>18</sup>

On September 14, 2020, instead of filing a rule-compliant Answer, Respondent sent an email stating in relevant part, "I have read all allegations against me and I deny all these allegations. These allegations against me seem false and they are misleading to my character." I gave Respondent another opportunity to file an Answer that met the requirements of Rule 9215. On September 15, I issued an Order directing Respondent to file a rule-compliant Answer by September 22. I also scheduled a pre-hearing conference for September 28, 2020. In the September 15 Order, I repeated the requirements for a proper Answer set forth in Rule 9215, and again warned Respondent that I could hold him in default if he did not timely file a rule-compliant Answer.

Respondent did not file a rule-compliant Answer by September 22. On September 23, 2020, he emailed the Office of Hearing Officers that he "intend[ed] to respond and make an answer but your timeline is too soon." Respondent also asked for more time because he was taking care of his child and his wife was working.

Respondent did not appear at the September 28, 2020 pre-hearing conference. On September 28, I scheduled another pre-hearing conference for October 2. The September 28 Order reminded Respondent that a failure to appear at the pre-hearing conference could constitute grounds to hold him in default. Again, Respondent did not appear at the October 2 pre-hearing conference. He therefore failed to appear at two scheduled pre-hearing conferences in addition to failing to file a rule-compliant Answer.

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<sup>16</sup> Opposition.

<sup>17</sup> FINRA Rule 9215(b) states that "Unless otherwise ordered by the Hearing Officer, an answer shall specifically admit, deny, or state that the Respondent does not have and is unable to obtain sufficient information to admit or deny, each allegation in the complaint. When a Respondent intends to deny only part of an allegation, the Respondent shall specify so much of it as is admitted and deny only the remainder. A statement of lack of information shall be deemed a denial. Any allegation not denied in whole or in part shall be deemed admitted. Any affirmative defense shall be asserted in the answer."

<sup>18</sup> The Orders issued in this disciplinary proceeding instructing Respondent to file a rule-compliant Answer and scheduling the two pre-hearing conferences and show cause hearing—dated August 24, September 15 and 28, and October 2, 2020—were sent to Respondent via email and via overnight courier to his CRD and Roslyn, New York, addresses.

On October 2, 2020, shortly after Respondent failed to appear at the pre-hearing conference, I issued an Order to show cause why Respondent should not be held in default (“Show Cause Order”). I scheduled the show cause hearing for October 7, 2020. Seven minutes after receiving the email containing the October 2 Show Cause Order, Respondent emailed the case administrator stating that he had just opened the FedEx envelope that contained the September 28 Order scheduling the October 2 pre-hearing conference. In his email, Respondent acknowledged seeing the envelope the day before (October 1) but that he had just opened it minutes earlier. According to Respondent, this was when he first learned that a pre-hearing conference had been scheduled for earlier that day.<sup>19</sup>

The case administrator promptly responded via email to Respondent’s email. She told Respondent that the Show Cause Order sets forth the reasons for the hearing and that at the hearing he needed to be prepared to explain why he did not (i) attend two previously scheduled pre-hearing conferences and (ii) file a rule-compliant Answer. Respondent did not respond to the case administrator’s email.

Respondent failed to appear at the show cause hearing on October 7, 2020.

I find that Respondent has defaulted by failing to file a rule-compliant Answer and failing to appear at two pre-hearing conferences and the show cause hearing. Therefore, pursuant to FINRA Rules 9215(f) and 9269(a)(2), I grant the Default Motion,<sup>20</sup> and deem the allegations in the Complaint admitted.

**E. Respondent Violated FINRA Rules 8210 and 2010 by Failing to Produce Documents and Information and Failing to Appear to Provide Testimony**

The Complaint contains two causes of action, both of which allege that Respondent violated FINRA Rules 8210 and 2010. Cause one alleges that Respondent failed to comply with FINRA’s requests to produce information and documents.<sup>21</sup> Cause two charges him with failing to provide sworn testimony at an OTR.<sup>22</sup>

Rule 8210 requires persons subject to FINRA’s jurisdiction to provide information to FINRA upon request. Rule 8210(a)(1) authorizes FINRA, in the course of an investigation, to require persons subject to its jurisdiction to “provide information orally, in writing, or electronically ... and to testify at a location specified by FINRA staff, under oath or affirmation administered by a court reporter or a notary public if requested, with respect to any matter

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<sup>19</sup> Contrary to Respondent’s representations, FedEx records show that the packages addressed to Respondent’s CRD and Roslyn, New York, addresses containing the September 28 Order were delivered on September 29, 2020. Also, the September 28 Order scheduling the October 2 pre-hearing conference was emailed to Respondent in addition to being sent via overnight courier.

<sup>20</sup> Respondent may move to set aside the default under FINRA Rule 9269(c) upon a showing of good cause.

<sup>21</sup> Complaint (“Compl.”) ¶¶ 37-38.

<sup>22</sup> Compl. ¶¶ 53-54.

involved in the investigation.” Rule 8210(a)(2) authorizes FINRA to “inspect and copy the books, records, and accounts” of persons subject to its jurisdiction “with respect to any matter involved in the investigation ... that is in such ... person’s possession, custody, or control.” Rule 8210(c) provides that “[n]o member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule.”

Rule 8210 is among FINRA’s most important tools for investigating potential wrongdoing.<sup>23</sup> “FINRA Rule 8210 is unequivocal and grants FINRA broad authority to obtain information concerning an associated person’s securities-related business ventures.”<sup>24</sup> Associated persons must cooperate fully in providing FINRA with information.<sup>25</sup> It is therefore a violation of Rule 8210 for a person to fail to provide information sought by FINRA.<sup>26</sup>

### **1. Respondent Failed to Produce Information and Documents**

FINRA staff served Respondent four times—on January 15 and 24, February 12, and March 2, 2020—with identical requests for information and documents. Each request asked Respondent: (i) to provide a written statement about his relationship to eight corporate entities identified in the requests, and to include a description of each entity’s purpose, his position or title and the activities he performed for each entity, and the compensation he received; (ii) identify securities and bank accounts that he controls or for which he is a signatory; and (iii) identify email accounts he used in connection with the corporate entities Enforcement identified. Each request also asked Respondent to produce copies of: (i) documents relating to the formation or incorporation of each of the business entities Enforcement listed; (ii) statements for the securities and bank accounts that Respondent controlled from June 2018 to the present; and (iii) email communications concerning each of the business entities from June 2018 to the present.<sup>27</sup>

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<sup>23</sup> See *Dep’t of Mkt. Regulation v. Sciascia*, No. CMS040069, 2006 NASD Discip. LEXIS 22, at \*11 (NAC Aug. 7, 2006) (analyzing NASD Rule 8210, the predecessor to FINRA Rule 8210).

<sup>24</sup> *Dep’t of Enforcement v. Gallagher*, No. 2008011701203, 2012 FINRA Discip. LEXIS 61, at \*12 (NAC Dec. 12, 2012).

<sup>25</sup> See *CMG Inst’l Trading, LLC*, Exchange Act Release No. 59325, 2009 SEC LEXIS 215, at \*21 (Jan. 30, 2009) (member firms and their associated persons have an obligation to respond to FINRA’s request for information “fully and promptly”). See also *Dep’t of Enforcement v. Vedovino*, No. 2015048362402, 2019 FINRA Discip. LEXIS 20, at \*20 (NAC May 15, 2019) (FINRA Rule 8210 “requires associated persons to comply fully with FINRA’s requests for information, testimony, and documents with respect to any matter involved in a FINRA investigation, complaint, examination, or proceeding.”).

<sup>26</sup> See *Dep’t of Enforcement v. Reifler*, No. 2016050924601, 2019 FINRA Discip. LEXIS 44, at \*10 (NAC Sept. 30, 2019) (“A violation of FINRA Rule 8210 occurs when an associated person fails to provide full and prompt cooperation to FINRA in response to a request for information.”), *appeal docketed*, No. 3-19589 (SEC Oct. 10, 2019).

<sup>27</sup> CX-1; CX-2; CX-3; CX-4.

On January 15, 2020, FINRA sent Respondent its first letter pursuant to FINRA Rule 8210 asking that he provide the information and documents by January 22, 2020.<sup>28</sup> Because Respondent did not respond, on January 24, 2020, FINRA staff sent Respondent another letter under FINRA Rule 8210 asking him to produce the same information and documents. Respondent again failed to provide any of the information and documents FINRA sought.<sup>29</sup> FINRA staff sent the two letters via first-class and certified mail, return receipt requested, to Respondent's CRD address. Respondent therefore had constructive notice of the January 15 and January 24, 2020, requests.<sup>30</sup>

FINRA staff then conducted a public records search for other possible addresses for Respondent. FINRA found two potential addresses in addition to Respondent's CRD address, one of which was the address in Roslyn, New York.<sup>31</sup> On February 12, 2020, FINRA staff sent its third letter under Rule 8210 asking that Respondent produce the previously requested information and documents. The letter was sent to Respondent's CRD address and the two additional addresses via first-class and certified mail, return receipt requested.<sup>32</sup>

On February 15, 2020, Respondent called FINRA staff after business hours. On February 19, FINRA staff spoke with Respondent, who acknowledged that he had received the February 12 request letter that was sent to the Roslyn, New York, address. Respondent accordingly had actual notice of the February 12 Rule 8210 request. He asked for an extension of time to respond to the request until February 28. FINRA staff agreed to the extension.<sup>33</sup> FINRA staff talked to Respondent again on February 25. Respondent stated that he intended to comply with the request for information and documents by February 28. During the telephone call, Respondent also provided his personal email address.<sup>34</sup>

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<sup>28</sup> Compl. ¶¶ 13-15; CX-1.

<sup>29</sup> Compl. ¶¶ 17-18, 21; CX-2.

<sup>30</sup> Compl. ¶¶ 14, 18. *See* FINRA Rule 8210(d) (stating that a notice issued under FINRA Rule 8210 is "deemed received" by a currently or formerly registered person when it is mailed to the person's last known residential address as reflected in CRD).

In Respondent's Opposition to Enforcement's Default Motion, Respondent effectively conceded that he received the first two Rule 8210 requests sent on January 15 and 24, 2020 only to his CRD address because he offered an explanation as to why he did not provide the information FINRA requested at the time. He states that "[w]hen this inquiry for the 8210 request first started, it was about the exact time that [his] first and only child was born which was on January 18, 2020." Respondent adds that it "was extremely difficult to focus on anything except my daughter being as how my wife had a very complicated birthing process." Because he was caring for his daughter, "it was not possible for [him] to go through all the mail that was sent to [him] from [FINRA]."

<sup>31</sup> Compl. ¶ 22.

<sup>32</sup> Compl. ¶¶ 23-24; Turitz Decl. ¶¶ 7-8; CX-3.

<sup>33</sup> Compl. ¶¶ 26-27.

<sup>34</sup> Compl. ¶ 28; Turitz Decl. ¶ 21.



After Respondent again failed to produce the information and documents requested, FINRA staff sent its fourth request under FINRA Rule 8210 on March 2, 2020. The letter was sent via first-class and certified mail, return receipt requested, to Respondent's CRD address and the Roslyn, New York, address, where Respondent had said he received the February 12 Rule 8210 request.<sup>35</sup> The staff also sent the March 2 request via email.<sup>36</sup> Respondent therefore had constructive notice of the March 2 request for information.<sup>37</sup>

Each of the four letters reminded Respondent of his obligation to respond and warned him about the consequences of not doing so. Furthermore, Respondent was aware of his obligations, and the consequences of not responding to the requests, as he had consented just six months earlier to findings by FINRA that he had violated FINRA Rules 8210 and 2010. Instead, Respondent chose not provide any answers to the staff's questions or provide any responsive documents. Respondent had ample time to provide at least preliminary, or partial, responses to the staff's requests.

Respondent failed to produce any information or documents identified in the four Rule 8210 requests.<sup>38</sup> By failing to produce the information and documents requested by FINRA staff, Respondent violated FINRA Rules 8210 and 2010.<sup>39</sup>

## **2. Respondent Failed to Appear at an OTR**

Enforcement twice asked Respondent to appear for an OTR. On February 21, 2020, FINRA sent Respondent a letter under FINRA Rule 8210 requesting that he appear at FINRA's New York City regional office on March 6, 2020, to provide sworn testimony.<sup>40</sup> The letter was sent via first-class and certified mail, return receipt requested, to Respondent's CRD and Roslyn, New York, addresses.<sup>41</sup> The staff also emailed the request to Respondent on February 25 after he

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<sup>35</sup> Compl. ¶¶ 30-32; CX-4.

<sup>36</sup> Compl. ¶ 31; CX-4, at 17.

<sup>37</sup> According to U.S. Postal Service records, a copy of the March 2 request sent via certified mail, return receipt requested, to the Roslyn, New York, address was delivered on March 5, 2020. Compl. ¶ 32.

<sup>38</sup> Compl. ¶ 36; Turitz Decl. ¶ 9. I note that Respondent's violation of Rules 8210 and 2010 was complete after he failed to respond to Enforcement's first two requests sent to his CRD address. The staff was not obligated to send the third and fourth requests for information to Respondent.

<sup>39</sup> FINRA Rule 2010 requires a member to "observe high standards of commercial honor and just and equitable principles of trade." It is well established that a violation of Rule 8210 is also a violation of Rule 2010. *See CMG Inst'l Trading*, 2009 SEC LEXIS 215, at \*29-30; *Stephen J. Gluckman*, 54 S.E.C. 175, 185 (1999).

<sup>40</sup> Compl. ¶ 42; CX-5.

<sup>41</sup> CX-5.

had provided his personal email address during a telephone conference that day.<sup>42</sup> Respondent did not appear for the OTR on March 6.<sup>43</sup>

On March 6, 2020, after Respondent did not appear for the OTR, FINRA sent another letter under FINRA Rule 8210, asking that Respondent provide testimony on March 13, 2020.<sup>44</sup> FINRA sent the letter via first-class and certified mail, return receipt requested, to Respondent's CRD and the Roslyn, New York, addresses.<sup>45</sup> Respondent again did not appear.<sup>46</sup> At the time, Respondent did not contact the staff to make other arrangements or explain why he could not attend an OTR.<sup>47</sup> Both OTR letters told Respondent that a failure to appear to give testimony could result in sanctions, including a bar from the securities industry.<sup>48</sup>

Respondent's failure to provide sworn testimony was not justified. By failing to provide sworn testimony at an OTR, Respondent violated FINRA Rules 8210 and 2010.<sup>49</sup>

## II. Sanctions

FINRA's Sanction Guidelines ("Guidelines") recommend that if an individual does not respond in any manner to a request for information made pursuant to FINRA Rule 8210, a bar should be standard.<sup>50</sup>

The Guidelines also provide that when an individual fails to respond to requests for information the principal consideration in determining sanctions is the importance of the information sought as viewed from FINRA's perspective.<sup>51</sup> FINRA was investigating potentially serious misconduct by Respondent concerning his possible involvement in undisclosed outside

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<sup>42</sup> Compl. ¶ 44; CX-6, at 17. FINRA staff received the certified mail return receipt for the February 21, 2020, OTR request showing that it was signed and dated February 26, 2020. Compl. ¶ 45.

<sup>43</sup> Compl. ¶ 47.

<sup>44</sup> Compl. ¶ 48; CX-6, at 1-2.

<sup>45</sup> Compl. ¶¶ 43, 49. U.S. Postal Service records show that a copy of the March 6 OTR letter sent via certified mail, return receipt requested, to the Roslyn, New York, address was delivered on March 9, 2020. Compl. ¶ 50.

<sup>46</sup> Compl. ¶¶ 47, 52; Turitz Decl. ¶ 12. In his Opposition, Respondent stated that he did not want to risk going to New York City for an OTR because of the coronavirus. Respondent added that he "had no ill will for not responding to the request [for an] OTR .... [He is] now able and willing to provide any further information that is asked of [him]."

<sup>47</sup> Compl. ¶ 52.

<sup>48</sup> CX-5; CX-6.

<sup>49</sup> *Sciascia*, 2006 NASD Discip. LEXIS 22, at \*12 ("Failure to attend an OTR falls squarely within the scope of conduct that violates Rule 8210.").

<sup>50</sup> FINRA Sanction Guidelines at 33 (2019), <http://www.finra.org/industry/sanction-guidelines>.

<sup>51</sup> Guidelines at 33.

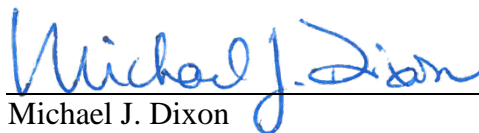
business activities.<sup>52</sup> FINRA needed information and documents from Respondent to perform its regulatory function. Respondent's failure to produce the information and documents requested and failure to provide sworn testimony prevented FINRA from fulfilling its regulatory responsibilities.<sup>53</sup>

I find that Respondent had ample opportunity to respond to FINRA's four requests for information and documents, and that he was simply unwilling to provide the information to FINRA. The evidence reveals no justification or excuse for Respondent's failure to respond to FINRA's requests. I find no mitigating factors notwithstanding Respondent's claims that his newborn child and the coronavirus prevented him from complying with his obligations to FINRA. Thus, the appropriate sanction for failing to produce information and documents, in violation of FINRA Rules 8210 and 2010, as alleged in cause one of the Complaint, is a bar in all capacities.

I also find that in failing to attend an OTR, Respondent violated FINRA Rules 8210 and 2010, as alleged in cause two of the Complaint. I find that the appropriate sanction for failing to provide sworn testimony at an OTR is a bar in all capacities.

### III. Order

Respondent Yousuf Saljooki is barred from associating with any FINRA member firm in any capacity for failing to provide information and documents, as alleged in cause one of the Complaint, and failing to provide sworn testimony, as alleged in cause two of the Complaint, in violation of FINRA Rules 8210 and 2010. The bars shall become effective immediately if this Default Decision becomes FINRA's final disciplinary action.

  
Michael J. Dixon  
Hearing Officer

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<sup>52</sup> See *Bernard G. McGee*, Exchange Act Release No. 80314, 2017 SEC LEXIS 987, at \*36 (Mar. 27, 2017) (Rule 3270 “ensures that member firms may raise objections to an associated person’s outside business activities at a meaningful time and exercise appropriate supervision”), *petition for review denied*, 733 F. App’x 571 (2d Cir. 2018); *Dep’t of Enforcement v. Connors*, No. 2012033362101, 2017 FINRA Discip. LEXIS 2, at \*32 (NAC Jan. 10, 2017) (“Failing to disclose outside business activities deprives customers of the oversight and supervision provided by an employer member firm.”).

<sup>53</sup> *Dep’t of Enforcement v. Sahai*, No. C9B020032, 2004 NASD Discip. LEXIS 14, at \*19-20 (NAC Aug. 12, 2004) (finding that a person who fails to respond to FINRA requests for information subverts FINRA’s regulatory responsibilities), *remanded*, 58 S.E.C. 276 (2005), *aff’d on reh’g*, 2006 NASD Discip. LEXIS 2 (NAC Mar. 2, 2006), *modified*, Exchange Act Release No. 55046, 2007 SEC LEXIS 13 (Jan. 5, 2007).

Copies to:

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