

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

Department of Enforcement,

Complainant,

v.

Tyler J. Woodward (CRD No. 6032935),

Respondent.

DISCIPLINARY PROCEEDING
No. 2018058866401

Hearing Officer:

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. From June 2018 to the present, Respondent Tyler J. Woodward has failed to provide information and documents requested by FINRA Staff pursuant to FINRA Rule 8210 in an investigation involving serious violations of FINRA rules, including conversion. Moreover, Woodward failed to appear and provide sworn testimony to FINRA Staff on two occasions in August 2018, as requested pursuant to FINRA Rule 8210. As a result, Woodward violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Woodward first became registered with FINRA in April 2012 as an Investment Company Products and Variable Contracts Representative.

3. From November 2013 to October 2016, Woodward was registered with FINRA as an Investment Company Products and Variable Contracts Representative through an affiliation with

a FINRA member firm (the “Firm”). Woodward also was registered through the Firm as a General Securities Representative from May 2015 through October 2016.

4. On October 13, 2016, the Firm filed a Uniform Termination Notice for Securities Industry Registration (“Form U5”), stating that Woodward’s employment was terminated on September 26, 2016. The Form U5 stated that the reason for termination was “[f]ailure to comply with personnel policies and procedures. Not customer- or securities-related.”

5. On October 19, 2016, the Firm filed an amended Form U5 disclosing an internal review of Woodward that the Firm “[o]pened in connection with customer complaints related to traditional life insurance.” The Firm conducted an internal review from October 11, 2016 to July 25, 2017. On August 17, 2017, the Firm filed another amended Form U5 stating that “[a]ll customer issues have been resolved. Investigation closed.”

6. Separately, the Firm disclosed through reports that it filed pursuant to FINRA Rule 4530 that it had received eight customer complaints against Woodward between August 17, 2016 and March 6, 2018.

7. On October 18, 2016, another FINRA member firm filed a Non-Registered Fingerprint (“NRF”) filing indicating that Woodward had been employed by the firm to work in a back office capacity. Woodward was associated with that firm until October 31, 2016.

8. Although Woodward is no longer registered or associated with a FINRA member, he remains subject to FINRA’s jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA’s By-Laws, because the Complaint (1) was filed within two years after the date upon which he ceased to be registered or associated with a FINRA member, and (2) charges him with failing to respond to FINRA’s requests for information and with failing to appear for

on-the-record testimony (an “OTR”) during the two-year period after the date upon which he ceased to be registered or associated with a FINRA member.

FACTS

9. FINRA has been investigating Woodward since June 18, 2018, three days after FINRA received a written complaint from Woodward’s former customer, KJ. KJ has alleged serious violations of FINRA rules by Woodward, including conversion.

10. Specifically, KJ has alleged to FINRA that Woodward persuaded KJ to transfer money, totaling more than \$117,000, from his account at the Firm to a brokerage account at another member firm, and then to a bank account, and then finally to a company that Woodward created known as Precision Financial Research and Management, LLC (CRD No. 288760) (“Precision”). Precision is not a registered broker-dealer or investment adviser. KJ has also asserted that Woodward obtained electronic access to his brokerage account and controlled transactions in that account. KJ has alleged that he made repeated demands to Woodward for the return of his money, and complained to FINRA after Woodward failed to respond to him.

Woodward Failed to Respond to Requests for Information and Documents

11. On June 25, 2018, FINRA Staff mailed a letter to Woodward requesting information and documents concerning KJ’s complaint (the “First Request for Information and Documents”); the First Request for Information and Documents was made pursuant to FINRA Rule 8210. FINRA Staff sent the First Request for Information and Documents to Woodward by certified mail and by first class U.S. mail to Woodward at his last known residential address and his last known business address, both as identified in the Central Registration Depository.

12. The First Request for Information and Documents sent by certified mail and by first class U.S. mail to Woodward's last known business address were marked "not deliverable" and returned to FINRA Staff. The First Request for Information and Documents sent by certified mail to Woodward's last known residential address was also returned to FINRA Staff and marked "Return to Sender, Vacant." The U.S. Postal Service did not return the First Request for Information and Documents sent to Woodward's last known residential address by first class U.S. mail.

13. The First Request for Information and Documents requested the production of information and documents on or before July 11, 2018. Woodward has not responded to the First Request for Information and Documents, and has not requested an extension of time to respond to the request.

14. On August 2, 2018, FINRA Staff attempted to contact Woodward by telephone. FINRA Staff called telephone numbers associated with Woodward's last known residential address and last known business address that FINRA Staff identified through a search of a public records database. Woodward did not answer those telephone calls. FINRA Staff did not leave voicemail messages for Woodward, because he did not have an operating voicemail for either telephone number.

15. On August 3, 2018, FINRA Staff sent a second letter to Woodward requesting the same information and documents concerning KJ's complaint that were requested in the June 25, 2018 letter (the "Second Request for Information and Documents"). FINRA staff again issued its request pursuant to FINRA Rule 8210, and mailed the Second Request for Information and Documents by certified mail and by first class U.S. mail to Woodward at his last known residential address and his last known business address, both as identified in the Central

Registration Depository. Moreover, FINRA Staff also sent an electronic copy of the Second Request for Information and Documents to Woodward at [REDACTED], an email address that Woodward used to communicate with KJ.

16. The U.S. Postal Service returned the Second Request for Information and Documents that FINRA Staff sent by certified mail and by first class U.S. mail to Woodward's last known business address, each marked "return to sender, unclaimed." The U.S. Postal Service has not returned a "return receipt" regarding the Second Request for Information and Documents that FINRA Staff sent to Woodward's last known residential address by certified mail. The U.S. Postal Service did not return the Second Request for Information and Documents sent to Woodward's last known residential address by first class U.S. mail. The email attaching the Second Request for Information and Documents that was sent to Woodward was not returned to FINRA Staff.

17. The Second Request for Information and Documents requested the production of information and documents on or before August 13, 2018. Woodward has not responded to the Second Request for Information and Documents, and has not requested an extension of time to respond to the request.

18. On August 3, 2018, FINRA Staff again attempted to contact Woodward by telephone. FINRA Staff called a telephone number associated with Woodward's last known business address and a cellular telephone number that FINRA Staff identified through a search of a public records database. Woodward did not answer those telephone calls. FINRA Staff did not leave voicemail messages for Woodward, because he did not have an operating voicemail for either telephone number.

Woodward Failed to Comply with Two Requests for His OTR

19. On August 6, 2018, FINRA Staff sent a letter to Woodward by certified mail and by first class U.S. mail, requesting, pursuant to FINRA Rule 8210, that he appear for an OTR at 9:00 a.m. on August 15, 2018 at FINRA's Boston, Massachusetts office (the "First OTR Request"). FINRA Staff sent the First OTR Request to Woodward so it could take Woodward's testimony under oath concerning the allegations set forth in KJ's complaint. FINRA Staff sent the First OTR Request letter to Woodward's last known residential address and to his last known business address, both as identified in the Central Registration Depository. FINRA Staff also sent an electronic copy of the First OTR Request to Woodward at

[REDACTED]

20. The U.S. Postal Service returned the First OTR Request that FINRA Staff sent by certified mail and by first class U.S. mail to Woodward's last known business address, each marked "return to sender, not deliverable as addressed." The U.S. Postal Service did not return a "return receipt" regarding the First OTR Request that FINRA Staff sent to Woodward's last known residential address by certified mail. The U.S. Postal Service did not return the First OTR Request sent to Woodward's last known residential address by first class U.S. mail. The email attaching the First OTR Request that was sent to Woodward was not returned to FINRA Staff.

21. On August 7, 2018, FINRA Staff additionally sent the First OTR Request to Woodward via Federal Express overnight delivery to Woodward's last known residential address as identified in the Central Registration Depository. On August 8, 2018, FINRA Staff received confirmation from trackingupdates@fedex.com that "T. Woodward" signed for the overnight delivery letter on August 8, 2018 at 6:02 a.m.

22. The First OTR Request required Woodward to contact FINRA Staff by August 10, 2018 to confirm that he intended to appear for the OTR on August 15, 2018. Woodward did not contact FINRA Staff and did not appear for his OTR on August 15, 2018.

23. Pursuant to FINRA Rule 8210, on August 15, 2018, FINRA Staff sent a letter by certified mail, by overnight delivery, and by first class U.S. mail to Woodward at his last known residential address, as identified in the Central Registration Depository, requesting him to appear for an OTR at 10:00 a.m. on August 24, 2018 at FINRA's Boston, Massachusetts office (the "Second OTR Request"). FINRA Staff also sent an electronic copy of the Second OTR Request to Woodward at [REDACTED]. Again, FINRA Staff sent the Second OTR Request to Woodward so it could take Woodward's testimony under oath concerning the allegations set forth in KJ's complaint.

24. The U.S. Postal Service has not returned a "return receipt" for the Second OTR Request that FINRA Staff sent to Woodward's last known residential address by certified mail. The U.S. Postal Service did not return the Second OTR Request sent to Woodward's last known residential address by first class U.S. mail. Woodward did not sign to acknowledge receipt of the Second OTR Request that FINRA Staff sent by overnight delivery, and Federal Express returned that letter to FINRA Staff. The email attaching the Second OTR Request that was sent to Woodward was not returned to FINRA Staff.

25. The Second OTR Request required Woodward to contact FINRA by August 21, 2018 to confirm that he intended to appear for the OTR on August 24, 2018. Woodward did not contact FINRA Staff and did not appear for his OTR on August 24, 2018.

FIRST CAUSE OF ACTION

Failure to Respond to Information Requests (FINRA Rules 8210 and 2010)

26. The Department of Enforcement realleges and incorporates by reference paragraphs 1 through 25 above.

27. FINRA Rule 8210(a) provides that for purposes of an investigation, FINRA Staff has the right to require a person subject to FINRA's jurisdiction to provide information orally, in writing, or electronically.

28. FINRA Rule 8210(c) provides that "[n]o member or person shall fail to provide information . . . pursuant to this Rule."

29. FINRA Rule 8210(d) specifies that notice under Rule 8210 shall be deemed received by a current or former registered representative to whom it is directed by mailing or otherwise transmitting the notice to the last known residential address of the registered representative as reflected in the Central Registration Depository.

30. FINRA Rule 2010 requires member firms and associated persons to observe high standards of commercial honor and just and equitable principles of trade. Failing to comply with FINRA Staff requests for documents and information issued pursuant to Rule 8210 is conduct that is inconsistent with high standards of commercial honor and just and equitable principles of trade and, thus, violates Rule 2010.

31. The information and documents requested by FINRA Staff in the First Request for Information and Documents and the Second Request for Information and Documents were material to FINRA Staff's investigation of Woodward's potential rule violations.

32. Each request to Woodward for information and documents (*i.e.*, the First Request for Information and Documents and the Second Request for Information and Documents) was made pursuant to FINRA Rule 8210.

33. Each request to Woodward for information and documents (*i.e.*, the First Request for Information and Documents and the Second Request for Information and Documents) stated that any failure to produce the requested information and documents could expose Woodward to sanctions, including a permanent bar from the securities industry.

34. Woodward's failures to respond to the First Request for Information and Documents and the Second Request for Information and Documents constitute separate and distinct violations of FINRA Rules 8210 and 2010 by Woodward.

SECOND CAUSE OF ACTION

Failure to Provide Testimony (FINRA Rules 8210 and 2010)

35. The Department of Enforcement realleges and incorporates by reference paragraphs 1 through 34 above.

36. FINRA Rule 8210(a) provides that for purposes of an investigation, FINRA Staff has the right to require a person subject to FINRA's jurisdiction to testify at a location specified by FINRA Staff.

37. FINRA Rule 8210(c) provides that, "[n]o member or person shall fail to provide . . . testimony . . . pursuant to this Rule."

38. FINRA twice requested Woodward to appear for an OTR. FINRA requested Woodward's OTR testimony because it was material to FINRA Staff's investigation of

Woodward's potential rule violations, and was necessary for FINRA to complete its regulatory mandate to fully investigate potential rule violations.

39. Both requests to Woodward for his OTR (*i.e.*, the First OTR Request and the Second OTR Request) were made pursuant to FINRA Rule 8210.

40. Both requests to Woodward for his OTR (*i.e.*, the First OTR Request and the Second OTR Request) stated that he was obligated to appear for his OTR, and that any failure to answer FINRA Staff's questions could expose Woodward to sanctions, including a permanent bar from the securities industry.

41. Woodward's failures to appear and testify on August 15, 2018 and August 24, 2018, as requested, constitute separate and distinct violations of FINRA Rules 8210 and 2010 by Woodward.

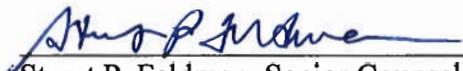
RELIEF REQUESTED

WHEREFORE, the Department of Enforcement respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Woodward committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a) be imposed; and
- C. order that Woodward bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

**FINRA DEPARTMENT OF
ENFORCEMENT**

Date: October 4, 2018


Stuart P. Feldman, Senior Counsel
Bonnie S. McGuire, Senior Director
Lisa M. Colone, Chief Counsel
FINRA Department of Enforcement
99 High Street, Suite 900
Boston, MA 02110
Tel.: (617) 532-3426 (Feldman)
Tel.: (617) 532-3424 (McGuire)
Fax: (732) 596-2078 (Colone)
Email: stuart.feldman@finra.org
Email: bonnie.mcguire@finra.org
Email: lisa.colone@finra.org