

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

BO LI
(CRD No. 5711148),

Respondent.

Disciplinary Proceeding
No. 2014043420401

Hearing Officer—KBW

DEFAULT DECISION

December 6, 2016

Respondent is barred from associating with any FINRA member firm in any capacity for failing to appear and provide investigative testimony, in violation of FINRA Rules 8210 and 2010.

For the Complainant: Kevin Link, Esq. and Jennifer Crawford, Esq., Department of Enforcement, Financial Industry Regulatory Authority

For the Respondent: No appearance

DECISION

I. Introduction

The Department of Enforcement (“Enforcement”) sent three letters to Respondent Bo Li requesting that he appear and provide testimony pursuant to FINRA Rule 8210. Enforcement sent its Rule 8210 requests in connection with an investigation into whether Respondent structured transactions in his personal bank account to avoid federal reporting requirements.¹ He did not appear and provide investigative testimony in response to these requests.

On July 21, 2016, Enforcement served the Complaint on Respondent. The Complaint alleges that Respondent violated FINRA Rules 8210 and 2010 by failing to provide and respond to Rule 8210 requests for on-the-record testimony. Respondent has not filed an answer to the Complaint.

¹ Complaint (“Compl.”) ¶¶ 7, 21.

Accordingly, Enforcement filed a motion for entry of default decision (“Default Motion”), together with counsel’s declaration (“Decl.”) in support of the motion, and supporting exhibits. Respondent did not respond to the motion.

For the reasons set forth below, I find Respondent in default and grant Enforcement’s Default Motion.

II. Findings of Fact and Conclusions of Law

A. Respondent’s Background

Respondent entered the securities industry in 2009. From October 2012 to November 2014, he was associated with FINRA member firm J.P. Morgan Securities LLC (the “Firm”) and was employed by the Firm’s bank affiliate, J.P. Morgan Chase Bank, N.A. Respondent is no longer registered with FINRA or associated with a FINRA member firm.²

B. FINRA’s Jurisdiction

FINRA retains jurisdiction over Respondent pursuant to Article V, Section 4(a) of FINRA’s By-Laws. Enforcement filed the Complaint within two years after the effective date of termination of his FINRA registration, and the Complaint charges him with failing to respond to requests for information during the two-year period after the termination of his registration.

C. Origin of the Investigation

The Firm filed a Uniform Termination Notice for Securities Industry Registration (Form U5) stating that Respondent’s employment was terminated because of certain transactions in his personal account and his inability to fully substantiate the rationale for those transactions. FINRA opened an investigation based on this disclosure.³

D. Respondent’s Default

Enforcement served Respondent with the Complaint, Notice of Complaint, and Second Notice of Complaint in accordance with FINRA Rules 9131 and 9134. Enforcement served the Complaint and Notice of Complaint on July 21, 2016, and the Complaint and Second Notice of Complaint on August 19, 2016. Each time, Enforcement served Respondent by certified first-class mail, return receipt requested, sent to his last known residential address recorded in the Central Registration Depository (“CRD address”), and by email to Respondent’s personal email address.⁴

² Compl. ¶¶ 2-3.

³ Decl. ¶¶ 6-7.

⁴ Decl. ¶¶ 14, 18.

Respondent did not file an answer or otherwise respond to the Complaint.⁵ Accordingly, the Hearing Officer finds that Respondent defaulted.⁶

E. Respondent Failed to Respond to Requests for Information

FINRA Rule 8210 authorizes FINRA staff to require a person subject to FINRA’s jurisdiction to testify at a location specified by FINRA staff, under oath or affirmation, with respect to any matter involved in an investigation, examination, or proceeding. FINRA Rule 8210(d) provides that notice shall be deemed received by a formerly registered person by mailing it to the person’s CRD address.

On about May 19, 2016, FINRA staff mailed a letter pursuant to FINRA Rule 8210 to Respondent’s CRD address requesting that he appear to provide on-the-record testimony at FINRA’s Rockville office on June 2, 2016. Respondent did not respond to this request.⁷

On about June 3, 2016, FINRA staff mailed a second letter pursuant to FINRA Rule 8210 to Respondent’s CRD address requesting that he appear to provide on-the-record testimony at FINRA’s Rockville office on June 14, 2016. On June 13, 2016, Respondent contacted FINRA staff by telephone and requested that his testimony be rescheduled to June 28, 2016. The staff agreed to Respondent’s request and, on June 13, 2016, sent a letter pursuant to FINRA Rule 8210 to his CRD address requesting that he appear to provide on-the-record testimony at FINRA’s Rockville office on June 28, 2016. Respondent did not appear in response to this request.⁸

Thus, Respondent violated FINRA Rules 8210 and 2010.

III. Sanctions

FINRA’s Sanction Guidelines (“Guidelines”) recommend that, if an individual did not respond in any manner to a Rule 8210 request, a bar in all capacities should be standard.⁹ The conduct under investigation was serious. Respondent’s failure to provide the requested on-the-record testimony materially impeded the FINRA staff’s investigation.¹⁰ Moreover, there are no mitigating factors present in this case. Thus, I conclude that the appropriate sanction is a bar in all capacities.

⁵ Decl. ¶¶ 17, 20.

⁶ Respondent is notified that he may move to set aside the default pursuant to FINRA Rule 9269(c) upon a showing of good cause.

⁷ Compl. ¶¶ 9-10, 13.

⁸ Compl. ¶¶ 14-20.

⁹ FINRA Sanction Guidelines at 33 (2016), <http://www.finra.org/industry/sanction-guidelines>.

¹⁰ Compl. ¶ 21.

IV. Order

Respondent Bo Li is barred from associating with any FINRA member firm in any capacity for failing to appear and provide investigative testimony, in violation of FINRA Rules 8210 and 2010. The bar shall become effective immediately if this Default Decision becomes the final disciplinary action of FINRA.



Kenneth B. Winer
Hearing Officer

Copies to:

Bo Li (via overnight courier, email and first-class mail)
Kevin Link, Esq. (via email)
Jennifer Crawford, Esq. (via email)
Jeffrey D. Pariser, Esq. (via email)