

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

CHRISTOPHER L. ANDERSON,
(CRD No. 4799519),

Respondent.

Disciplinary Proceeding
No. 2014040182902

Hearing Officer — KBW

DEFAULT DECISION

Date: June 18, 2015

Respondent failed to respond in a full and timely manner to requests for information and failed to appear for testimony in response to requests for testimony, in violation of FINRA Rules 8210 and 2010. Respondent is barred from associating with any FINRA member firm in any capacity.

Appearances

Lane A. Thurgood, Esq., for the Department of Enforcement, Complainant.

No appearance by or on behalf of Christopher L. Anderson, Respondent.

DECISION

I. Introduction

The Department of Enforcement filed the attached Complaint with the Office of Hearing Officers on January 15, 2015. The Complaint alleges that Respondent Christopher L. Anderson twice failed to timely and fully comply with requests for information and twice completely failed to comply with requests for testimony, in violation FINRA Rules 8210 and 2010.

Enforcement served Anderson with the Complaint in accordance with FINRA's Code of Procedure, and Anderson failed to file an Answer. Accordingly, on April 14, 2015, Enforcement filed a Motion for Entry of Default Decision ("Default Motion"), together with a Memorandum of Law, the Declaration of Lane Thurgood in Support of the Department of Enforcement's Motion for Entry of Default Decision ("Thurgood Decl."), and exhibits CX-1 to CX-7.

For the reasons set forth below, the Hearing Officer finds Anderson in default, deems the allegations of the Complaint admitted pursuant to FINRA Rules 9215(f) and 9269(a), and orders that Anderson is barred from associating with any FINRA member firm in any capacity.

II. Findings Of Fact And Conclusions Of Law

A. Anderson's Background

Anderson entered the securities industry in 2004. Anderson worked at various firms before joining J.P. Morgan Securities LLC as a registered representative. On February 14, 2014, J.P. Morgan filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") that reported, "Terminated by affiliate bank – non-securities related. Registered rep, in the capacity of an affiliate bank employee, opened a bank account for a family member in violation of the banks [sic] friends and family policy. In addition, registered rep made unauthorized fund withdrawals from the family members [sic] bank account totaling \$20,760.00."¹ Anderson is not currently associated with any FINRA member firm.²

B. Origin Of Investigation

After receipt of the Form U5 filing, FINRA staff opened an investigation into whether Anderson may have converted funds from a family member's bank account.³

C. Jurisdiction

FINRA has jurisdiction over this disciplinary proceeding, pursuant to Article V, Section 4(a) of FINRA's By-Laws, because (1) Enforcement filed the Complaint on January 15, 2015, which was within two years after the effective date of the termination of Anderson's registration, and (2) the Complaint charges Anderson with failures to comply with FINRA Rule 8210 while he was subject to FINRA's jurisdiction. FINRA staff issued the subject FINRA Rule 8210 requests within two years after J.P. Morgan terminated Anderson.⁴

D. Anderson's Default By Failing To Answer Complaint

Enforcement served the Complaint and 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 January 15, 2015, and the Complaint and Second Notice of Complaint on February 23, 2015. In each instance, Enforcement served Anderson by both first-class mail and certified mail to Anderson's last known residential address as reflected in the Central Registration Depository ("CRD address").⁵ Thus, Anderson received valid constructive notice of this proceeding.⁶

¹ Complaint ("Compl.") ¶ 4; CX-1.

² Compl ¶ 5; CX-1.

³ Compl. ¶ 7.

⁴ See Article V, Sec. 5(a), FINRA By-Laws, www.finra.org/Rules (then follow the "FINRA Manual" hyperlink to "Corporate Organization: By-Laws.").

⁵ Thurgood Decl. ¶¶ 6, 8; CX-4; CX-6; CX-7.

⁶ See, e.g., *Dep't of Enforcement v. Evansen*, No. 2010023724601, 2014 FINRA Discip. LEXIS 10, at *20 n.21 (NAC June 3, 2014), *appeal docketed*, SEC Admin. Proc. No. 3-15964 (July 3, 2014).

Pursuant to FINRA Rules 9215 and 9138(c), Anderson's Answer was due within fourteen days of service of the Second Notice of Complaint, plus an additional three days because service was made by first class mail and by certified mail. Anderson did not file an Answer.⁷

Accordingly, the Hearing Officer finds that Anderson defaulted by failing to file an Answer to the Complaint. Therefore, the Hearing Officer deems the allegations in the attached Complaint admitted pursuant to FINRA Rules 9215(f) and 9269(a).

E. FINRA Rule 8210 Requests For Information

As part of FINRA's investigation of Anderson, FINRA's Office of Fraud Detection and Market Intelligence ("OFDMI") sent Anderson two requests for information pursuant to FINRA Rule 8210. Anderson initially did not respond to either request. When Anderson did respond, his response was incomplete.

On February 25, 2014, OFDMI sent Anderson the first request for information pursuant to FINRA Rule 8210 ("February Request"). OFDMI sent the February Request to Anderson's CRD address by both first-class mail and certified mail (return receipt requested). The February Request set forth a response deadline of March 11, 2014. Anderson failed to respond to the February Request.⁸

On March 12, 2014, OFDMI sent Anderson the second request for information ("March Request"). The March Request set a response deadline of March 26, 2014. OFDMI sent the March Request to Anderson's CRD address by both first-class mail and certified mail (return receipt requested). Anderson failed to respond to the March Request.⁹

F. Initiation Of Rule 9552, Notice Of Suspension Proceeding And Anderson's Response

On April 21, 2014, FINRA staff sent Anderson a letter notifying him that FINRA was initiating against him a suspension proceeding pursuant to Rule 9552. FINRA staff attached to the letter copies of the February and March Requests and stated that he could "take corrective action by complying with the requests before the Suspension Date" of May 15, 2014. FINRA staff sent the letter to Anderson's CRD address by first-class mail and FedEx Overnight Delivery.¹⁰

Anderson did not respond, and on May 15, 2014, FINRA staff notified Anderson that he was suspended as of that day and would be barred as of July 24, 2014, if he did not request termination of the suspension. FINRA staff sent the notice by both first-class mail and FedEx

⁷ Thurgood Decl. ¶¶ 7, 9.

⁸ Compl. ¶¶ 8-12.

⁹ Compl. ¶¶ 13-17.

¹⁰ Compl. ¶ 18.

Overnight Delivery. On July 25, 2014, FINRA staff notified Anderson by both first-class mail and certified mail (return receipt requested) that he was barred as of July 24, 2014.¹¹

On August 11, 2014, Anderson faxed to FINRA staff a letter stating that he had submitted a response “back in March.” Anderson included a copy of a one paragraph letter he claimed to have submitted in March in which he stated that allegations of “unauthorized and/or fraudulent transactions” in his grandmother’s account were a mistake. FINRA staff had not previously received any response from Anderson, and Anderson’s faxed materials did not fully respond to the February and March Requests.¹²

On August 18, 2014, after receiving Anderson’s fax, FINRA staff notified Anderson by both first-class mail and certified mail that FINRA was vacating the bar, but that “the staff still reserves the right to ask you questions, request information, and pursue an action against you, including, but not limited to, disciplinary action for your untimely response to requests for information under FINRA Rule 8210.” Anderson signed the return receipt.¹³

G. FINRA Rule 8210 Requests For Testimony

The matter was then referred to FINRA’s Department of Enforcement. On November 12, 2014, Enforcement sent Anderson a written request that he testify at FINRA’s offices in New York, New York on December 2, 2014 (“November Request”). The November Request was sent by first-class mail to Anderson’s CRD address. Anderson failed to appear for testimony as requested.¹⁴

On December 2, 2014, Enforcement sent Anderson a written request that he testify at FINRA’s offices in Rockville, Maryland, on December 10, 2014 (“December Request”). The December Request was sent to Anderson’s CRD address by both first-class mail and FedEx Overnight Delivery. Anderson failed to appear for testimony as requested.¹⁵

H. Violation Of FINRA Rule 8210

FINRA Rule 8210(a) provides, in part, that for the purpose of an investigation, FINRA staff shall have the right to require a person subject to FINRA’s 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 notary public if requested, with respect to any matter involved in the investigation.” FINRA Rule 8210(c) provides, in part, that no person shall fail to provide testimony pursuant to FINRA Rule 8210.

¹¹ Compl. ¶¶ 19, 20.

¹² Compl. ¶¶ 21-25.

¹³ Compl. ¶¶ 25, 26.

¹⁴ Compl. ¶¶ 28-31.

¹⁵ Compl. ¶¶ 32-36.

FINRA Rule 8210(d) specifies that “notice under this Rule shall be deemed received by the member or currently or formerly registered person to whom it is directed by mailing or otherwise transmitting the notice to the last known business address of the member or the last known residential address of the person as reflected in the Central Registration Depository.”¹⁶

Accordingly, the Hearing Officer concludes that Anderson violated FINRA Rule 8210 by twice failing to timely and fully comply with requests for information and twice completely failing to comply with requests for testimony. His violation of Rule 8210 is also a violation of Rule 2010.¹⁷

III. Sanctions

For cases involving failure to respond to a FINRA Rule 8210 Request, the FINRA Sanction Guidelines (“Guidelines”) advise that “[i]f an individual did not respond in any manner, a bar should be standard.”¹⁸ The Guidelines further advise, “Where the individual provided a partial but incomplete response, a bar is standard unless the person can demonstrate that the information provided substantially complied with all aspects of the request.”¹⁹

The Guidelines list a number of principal considerations for adjudicators to assess in determining appropriate sanctions. For a failure to respond, the Guidelines instruct adjudicators to consider the importance of the information requested from FINRA’s perspective. For a partial response, adjudicators are instructed to consider (1) the importance of the information requested that was not provided as viewed from FINRA’s perspective, and whether the information provided was relevant and responsive to the request, (2) the number of requests made, the time the respondent took to respond, and the degree of regulatory pressure required to obtain a response, and (3) whether the respondent thoroughly explains valid reasons for the deficiencies in the response.²⁰

Applying this guidance, the Hearing Officer finds that a bar is the appropriate sanction in this proceeding. Anderson has not demonstrated that his fax response to the February and March Requests constituted substantial compliance with the requests. Enforcement was investigating serious allegations: that Anderson opened a bank account for a family member, in violation of the bank’s friends-and-family policy and made unauthorized fund withdrawals from the family member’s bank account totaling \$20,760. Anderson provided only limited information in response to the February and March Requests. FINRA staff did not receive Anderson’s fax containing that information until August 2014, after FINRA had sent him repeated notices regarding the consequences of his failure to respond to the February and March Requests.

¹⁶ FINRA Rule 8210(d).

¹⁷ See *John Joseph Plunkett*, Exchange Act Release No. 73124, 2014 SEC LEXIS 3396, at *3 n.3 (Sept. 16, 2014) (stating in the context of a violation of FINRA Rule 8210 that “[a] violation of FINRA rules constitutes conduct inconsistent with just and equitable principles of trade and therefore also establishes a violation of FINRA Rule 2010.”).

¹⁸ Guidelines 33 (2015), <http://www.finra.org/sites/default/files/SanctionsGuidelines.pdf>.

¹⁹ Guidelines 33.

²⁰ Guidelines 33.

Furthermore, Anderson did not comply at all with the November and December Requests. In addition, Anderson has offered no valid reason for not appearing and providing testimony in response to the November and December Requests. Moreover, there are no mitigating factors present in this case.

IV. Order

Respondent Christopher L. Anderson is barred from associating with any FINRA member firm in any capacity for failing to provide information and testimony, in violation of FINRA Rules 8210 and 2010. The bar shall become effective immediately if this Default Decision becomes FINRA's final action in this disciplinary proceeding.



Kenneth Winer
Hearing Officer

Copies to: Christopher L. Anderson (*via overnight courier and first-class mail*)
Lane A. Thurgood, Esq. (*via electronic and first-class mail*)
Jeffrey D. Pariser, Esq. (*via electronic mail*)

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Christopher L. Anderson
(CRD No. 4799519)

Respondent.

DISCIPLINARY PROCEEDING
No. 2014040182902

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between February 25, 2014, and December 15, 2014, Respondent Christopher Anderson failed to timely and fully comply with two written FINRA Rule 8210 requests for information and failed to comply at all with two written FINRA Rule 8210 requests for testimony. Accordingly, Respondent violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Respondent entered the securities industry in May 2004 with J.P. Turner & Company, L.L.C.

3. Respondent worked at various member firms before joining J.P. Morgan Securities LLC in July 2013 as a registered representative in its Huntington, New York, branch office.

4. On February 14, 2014, J.P. Morgan Securities LLC filed a Form U5 that terminated Respondent's registration with FINRA and provided the following explanation of

termination: “Terminated by affiliate bank – non securities related. Registered rep, in the capacity of an affiliate bank employee, opened a bank account for a family member in violation of the banks (sic) friends and family policy. In addition, registered rep made unauthorized fund withdrawals from the family members (sic) bank account totaling \$20,760.00.”

5. Although Respondent 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 (1) the Complaint was filed within two years of the February 14, 2014, filing of a notice of termination and which disclosed that Respondent may have engaged in actionable misconduct, and (2) the Complaint charges him with failing to respond to FINRA requests for information during the two-year period after the date upon which he ceased to be registered or associated with a FINRA member.

CAUSE OF ACTION
Failure to Respond to Requests for Information and Testimony
(FINRA Rules 8210 and 2010)

6. Enforcement realleges and incorporates by reference paragraphs 1–5 above.

7. After receipt of the U5 filing, FINRA staff opened an investigation into whether Respondent may have converted funds from a family member’s bank account.

8. On February 25, 2014, FINRA staff in FINRA’s Office of Fraud Detection and Market Intelligence (OFDMI) sent Respondent a written request for information pursuant to FINRA Rule 8210 with a requested response deadline of March 11, 2014, to his residential address reflected in the Central Registration Depository (“CRD address”).

9. The request was mailed by both U.S. first-class mail and certified mail, return receipt requested.

10. The certified mailing was returned to FINRA staff as “Unclaimed/Unable to Forward.”
11. The copy sent by first-class mail was not returned and is presumed delivered.
12. Respondent failed to respond to the February 25 request.
13. On March 12, 2014, FINRA OFDMI staff sent Respondent the February 25 request for a second time pursuant to FINRA Rule 8210 to his CRD address, with a requested response deadline of March 26, 2014.
14. This second request was also sent by both U.S. first-class mail and certified mail, return receipt requested.
15. The second request sent by certified mail was returned to FINRA staff as “Unclaimed/Unable to Forward.”
16. The copy sent by first-class mail was not returned and is presumed delivered.
17. Respondent failed to respond to the second request.
18. On April 21, 2014, FINRA staff initiated a Rule 9552, Notice of Suspension Proceeding, and sent a notification letter to Respondent at his CRD address by both FedEx Overnight Delivery and U.S. first-class mail. FINRA staff attached copies of the February 25 and March 12 requests and notified Respondent that he could “take corrective action by complying with the requests before the Suspension Date” of May 15, 2014.
19. When Respondent still failed to respond, FINRA staff notified Respondent on May 15, 2014, by FedEx Overnight Delivery and U.S. first-class mail, that he was suspended as of that day and would be barred as of July 24, 2014, if he did not request termination of the suspension.

20. On July 25, 2014, FINRA staff notified Respondent by U.S. first-class mail and certified mail, return receipt requested, that he was barred as of July 24, 2014.

21. On August 11, 2014, Respondent faxed to FINRA staff a letter claiming that he had submitted a response “back in March.”

22. Respondent included a copy of a one paragraph letter he claimed to have submitted in March in which he asserted that allegations of “unauthorized and/or fraudulent transactions” in his grandmother’s account were a mistake.

23. FINRA Staff had not previously received any response from Respondent.

24. Respondent’s faxed materials did not fully respond to and comply with FINRA OFDMI staff’s 8210 requests for information.

25. After receiving Respondent’s fax, FINRA staff notified Respondent by U.S. first-class and certified mail sent to his CRD address on August 18, 2014, that FINRA was vacating the bar, but that “the staff still reserves the right to ask you questions, request information, and pursue an action against you, including, but not limited to, disciplinary action for your untimely response to requests for information under FINRA Rule 8210.”

26. Respondent signed the return receipt.

27. The matter was thereafter referred to FINRA Enforcement staff to investigate.

28. On November 12, 2014, pursuant to FINRA Rule 8210, FINRA Enforcement staff sent to Respondent’s CRD address a written request for Respondent to testify at FINRA’s offices in New York, New York, on December 2, 2014.

29. The request was sent by U.S. first-class mail.

30. The first-class mailing was not returned and is presumed to be delivered.

31. Respondent failed to appear for testimony as requested.

32. On December 2, 2014, FINRA Enforcement staff sent a second request for testimony pursuant to FINRA Rule 8210 to Respondent requesting his appearance at FINRA's offices in Rockville, Maryland, on December 10, 2014.

33. The second request for testimony was sent to Respondent's CRD address by both FedEx Overnight Delivery and U.S. first-class mail.

34. The copy sent by FedEx Overnight Delivery was delivered on December 3, 2014.

35. The copy sent by first-class mail was not returned and is presumed to be delivered.

36. Respondent failed to appear for testimony as requested.

37. By virtue of the foregoing, Respondent Christopher Anderson failed to timely and fully comply with two written FINRA Rule 8210 requests for information and failed to comply at all with two written FINRA Rule 8210 requests for testimony. Accordingly, Respondent violated FINRA Rules 8210 and 2010.

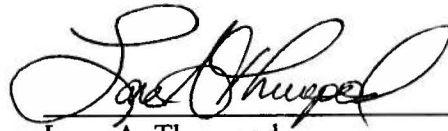
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

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

FINRA DEPARTMENT OF ENFORCEMENT

Date: Jan 15, 2015



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