

FINANCIAL INDUSTRY REGULATORY AUTHORITY  
OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

ANTHONY J. DeBLASE  
(CRD No. 1308014),

Respondent.

Disciplinary Proceeding  
No. 2012034431401

Hearing Officer - KBW

**DEFAULT DECISION**

January 16, 2015

**Respondent is barred from associating with any member firm in any capacity for violating FINRA Rules 8210 and 2010 by twice not appearing and providing testimony in response to FINRA's requests that he appear for on-the-record testimony. In light of the bar, no additional sanctions are imposed on Respondent for violating Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010 by failing to timely disclose a felony charge on his Form U4.**

**Appearances**

Frank M. Weber, Esq., Gina M. Petrocelli, Esq., and Lara Thyagarajan, Esq., for the Department of Enforcement.

No appearance by or on behalf of Anthony J. DeBlase.

**DECISION**

**I. Introduction**

FINRA's Department of Enforcement ("Enforcement") filed the attached Complaint with the Office of Hearing Officers on August 21, 2014. The Complaint alleges that Respondent Anthony J. DeBlase violated FINRA Rules 8210 and 2010 by twice failing to appear for an on-the-record interview ("OTR") and violated Article V, Section 2 of FINRA's By-Laws and FINRA Rules 1122 and 2010 by failing to disclose on his Uniform Application

for Securities Industry Registration or Transfer (“Form U4”) that he was charged with felony possession of cocaine in the State of New Jersey.<sup>1</sup>

DeBlase failed to answer or otherwise respond to the Complaint. Accordingly, on November 17, 2014, Enforcement filed a Motion for Entry of Default Decision and Imposition of Sanctions (“Default Motion”). The Default Motion is supported by a Declaration of Frank M. Weber in Support of Motion for Entry of Default Decision and Request for Sanctions (“Weber Decl.”) and exhibits marked CX-1 through CX-40. DeBlase did not respond to the Default Motion.

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

### **A. DeBlase’s Background**

DeBlase first became registered with FINRA as a Government Securities Representative through a former member firm in August 1990.<sup>2</sup> In December 1997, after being registered at two other member firms, DeBlase became registered as an RG through BGC Financial, L.P. (“BGC Financial”).<sup>3</sup> Beginning in September 1998, DeBlase became registered as a Government Securities Principal through BGC Financial.<sup>4</sup> DeBlase’s registrations through BGC Financial were terminated in December 2010.<sup>5</sup> The Form U5 filed by BGC Financial commented that DeBlase was “[d]ischarged under disputed circumstances. Employment issues resolved by mutual agreement.”<sup>6</sup>

In August 2012, member firm JVB Financial Group (“JVB Financial”) filed a Form U4 on DeBlase’s behalf to register him with FINRA.<sup>7</sup> In September 2012, DeBlase became registered through JVB.<sup>8</sup> In October 2012, JVB Financial filed a Form U5 terminating DeBlase’s registration and stating that the reason for his termination from JVB Financial was “voluntary.”<sup>9</sup> DeBlase has not been associated with a member firm or registered in any capacity since the termination of his registrations through JVB Financial.<sup>10</sup>

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<sup>1</sup> FINRA’s By-Laws and Rules are available at <http://finra.complinet.com/>.

<sup>2</sup> Weber Decl. ¶ 5.

<sup>3</sup> Compl. ¶ 3-4; Weber Decl. ¶¶ 6, 7.

<sup>4</sup> Weber Decl. ¶ 7.

<sup>5</sup> Weber Decl. ¶ 7.

<sup>6</sup> Weber Decl. ¶ 7.

<sup>7</sup> Weber Decl. ¶ 8.

<sup>8</sup> Weber Decl. ¶ 8.

<sup>9</sup> Weber Decl. ¶ 8; CX-1.

<sup>10</sup> Weber Decl. ¶ 9.

## **B. Jurisdiction**

FINRA has jurisdiction over this disciplinary proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the effective date of termination of his registration with a member firm in October 2012, and (2) the first cause of action charges him with failing to respond to requests for information during the two-year period after the termination of registration and the second cause of action charges him with misconduct that commenced while he was associated with a member firm.

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

FINRA's investigation of DeBlase began after JVB Financial filed the Form U5 in October 2012.<sup>11</sup> The FINRA staff investigated issues surrounding DeBlase's disclosure of criminal charges on his Form U4.<sup>12</sup>

## **D. Service of the Complaint and DeBlase's Default**

### **1. Service of First Notice**

On August 21, 2014, Enforcement served a copy of the Complaint and Notice of Complaint (collectively, the "First Notice") on DeBlase by mailing them by first-class mail and by certified mail, return-receipt requested, to four addresses: (1) DeBlase's most current address as reflected in the Central Registration Depository (the "CRD address"); (2) an address that DeBlase provided to FINRA staff in April 2013 as his then-current address (the "Atlantic Highlands address"); (3) 53 Dunbar Avenue, Unit #2, Long Branch, NJ 07740, an address that DeBlase provided to FINRA staff in November 2013 as his then-current address (the "Long Branch address"); and (4) an address that DeBlase provided to FINRA staff in January 2014 as his then-current address (the "New York address").<sup>13</sup> FINRA staff also sent the First Notice to DeBlase at an email address.<sup>14</sup>

The First Notice stated DeBlase was required to answer the Complaint no later than September 18, 2014.<sup>15</sup> DeBlase did not serve or file an answer or responsive pleading by that date.<sup>16</sup>

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<sup>11</sup> Weber Decl. ¶ 11.

<sup>12</sup> Weber Decl. ¶ 12.

<sup>13</sup> Weber Decl. ¶ 14; CX-2, at 1.

<sup>14</sup> Weber Decl. ¶ 15; CX-9.

<sup>15</sup> Weber Decl. ¶ 18; CX-2, at 2.

<sup>16</sup> Weber Decl. ¶ 18.

**a. Mailings to CRD Address**

The Postal Service returned to FINRA staff the certified mailing marked, “Return to Sender/Attempted – Not Known/Unable to Forward/Return to Sender.”<sup>17</sup> The Postal Service returned to FINRA staff the first-class mailing marked, “Return to Sender/Unable to Forward/Unable to Forward/Return to Sender.”<sup>18</sup>

**b. Mailings to Atlantic Highlands Address**

The Postal Service returned to FINRA staff the certified mailing marked, “Forward Time Exp. – Rtn to Send,” and listing for DeBlase a different address, “53 Dunbar Ave Apt 2/Long Branch NJ 07740-6441,” which is the Long Branch address (except for the use of “Apt 2” instead of “Unit #2” and the inclusion of the final four digits of the Zip + 4 code).<sup>19</sup> The Postal Service returned the first-class mailing with the same marking.<sup>20</sup>

**c. Mailings to Long Branch Address**

The Postal Service returned to FINRA staff the certified mailing with the marking, “Return to Sender – MLNA – Unable to Forward.”<sup>21</sup> The Postal Service returned to FINRA staff the first-class mailing with the same marking.<sup>22</sup>

**d. Mailings to New York Address**

The Postal Service did not return the certified mailing, the certified mailing return receipt card, or the first-class mailing that FINRA staff sent to the New York Address.<sup>23</sup>

**2. Second Notice**

On September 19, 2014, Enforcement served the Complaint and the Second Notice of Complaint (collectively, “Second Notice”) on DeBlase by mailing them by first-class mail and by certified mail, return-receipt requested, to the same four addresses as FINRA staff had previously sent the First Notice.<sup>24</sup> FINRA staff also sent the Second Notice to the email address.

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<sup>17</sup> Weber Decl. ¶ 14(a); CX-3.

<sup>18</sup> Weber Decl. ¶ 14(a); CX-4.

<sup>19</sup> Weber Decl. ¶ 14(b); CX-5.

<sup>20</sup> Weber Decl. ¶ 14(b); CX-6.

<sup>21</sup> Weber Decl. ¶ 14(c); CX-7.

<sup>22</sup> Weber Decl. ¶ 14(c).

<sup>23</sup> Weber Decl. ¶ 14(d).

<sup>24</sup> Weber Decl. ¶ 19; CX-10, at 1.

The Second Notice stated that DeBlase was required to submit an Answer to the Complaint no later than October 6, 2014.<sup>25</sup> DeBlase did not serve or file an answer or responsive pleading by that date.<sup>26</sup>

**a. Mailings to CRD Address**

The Postal Service returned to FINRA staff the certified mailing with the marking, “Return to Sender/Unable to Forward/Unable to Forward/Return to Sender” and with a handwritten notation, “Scanned ‘undeliverable,’ UTF 9/22/14.”<sup>27</sup> The Postal Service returned the first-class mailing with the same marking, but without the handwritten notation.<sup>28</sup>

**b. Mailings to the Atlantic Highlands Address**

The Postal Service returned to FINRA staff the certified mailing and the first-class mailings with the same markings as the mailings of the First Notice to the Atlantic Highlands address.<sup>29</sup>

**c. Mailings to Long Branch Address**

The Postal Service returned to FINRA staff the certified mailing and the first-class mailing with the same markings as the mailings of the First Notice to the Long Branch address.<sup>30</sup>

**d. Mailings to the New York Address**

The Postal Service did not return to FINRA staff the certified mailing, the certified mailing return receipt card or the first-class mailing that FINRA staff sent to the New York Address.<sup>31</sup>

**3. DeBlase’s Default**

FINRA staff properly served DeBlase with a copy of the Complaint, and DeBlase received valid constructive notice of this proceeding. DeBlase defaulted by failing to file an Answer or otherwise respond to the Complaint by the deadline set forth in the Second Notice of Complaint. Accordingly, the allegations in the attached Complaint are deemed admitted pursuant to FINRA Rules 9215(f) and 9269(a).

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<sup>25</sup> Weber Decl. ¶ 23; CX-10, at 1.

<sup>26</sup> Weber Decl. ¶ 23.

<sup>27</sup> Weber Decl. ¶ 19(a); CX-11.

<sup>28</sup> Weber Decl. ¶ 19(a); CX-12.

<sup>29</sup> Weber Decl. ¶ 19(b); CX-13, 14.

<sup>30</sup> Weber Decl. ¶ 19(c); CX-15, 16.

<sup>31</sup> Weber Decl. ¶ 19(d).

## **E. First Cause of Action – Violation of FINRA Rules 8210 and 2010**

In connection with the FINRA staff's inquiry into issues surrounding DeBlase's disclosure of criminal charges on his Form U4, FINRA staff issued two requests asking DeBlase to appear for an OTR pursuant to FINRA Rule 8210. DeBlase failed to appear in response to either request. The Complaint alleges that DeBlase therefore violated FINRA Rules 8210 and 2010.

FINRA Rule 8210 requires persons subject to FINRA's jurisdiction to provide information requested by FINRA with respect to any matter involved in a FINRA investigation.<sup>32</sup> Accordingly, members and associated persons must cooperate fully in providing requested information.<sup>33</sup> Because FINRA lacks subpoena power, it "must rely upon FINRA Rule 8210 to obtain information from its members necessary to carry out its investigations and fulfill its regulatory mandate."<sup>34</sup> Accordingly, the SEC has stressed that FINRA Rule 8210 is vitally important in connection with "FINRA's 'obligation to police the activities of its members and associated persons.'"<sup>35</sup>

### **1. First Request**

On February 7, 2014, FINRA staff requested that DeBlase appear on February 25, 2014, for an OTR at the FINRA's New York office pursuant to FINRA Rule 8210 (the "First Request").<sup>36</sup> On February 18, 2014, FINRA staff telephoned and spoke to DeBlase. During the call, DeBlase acknowledged having received the First Request. DeBlase stated that he would not be able to appear on the date requested due to an upcoming surgery.<sup>37</sup>

On the following day, the FINRA staff called DeBlase and left a voice mail with DeBlase offering to discuss rescheduling the OTR and request evidence of his scheduling conflict. DeBlase did not return the telephone call.<sup>38</sup>

DeBlase failed to appear on February 25, 2014, for an OTR pursuant to the First Request.<sup>39</sup>

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<sup>32</sup> *Dep't of Enforcement v. Reichman*, Complaint No. 200801201960, 2011 FINRA Discip. LEXIS 18, at \*28-29 (FINRA NAC July 21, 2011).

<sup>33</sup> See *Michael David Borth*, 51 S.E.C. 178, 180 (1992).

<sup>34</sup> *John Joseph Plunkett*, Exchange Act Release No. 73124, 2014 SEC LEXIS 3396, at \*17 (quoting *Gregory Evans Goldstein*, Exchange Act Release No. 71970, 2014 SEC LEXIS 1350, at \*32 (Apr. 17, 2014)).

<sup>35</sup> See *Plunkett*, 2014 SEC LEXIS 3396, at \*17, (quoting *Goldstein*, 2014 SEC LEXIS 1350, at \*43).

<sup>36</sup> Weber Decl. ¶ 35; CX-23.

<sup>37</sup> Weber Decl. ¶ 38. According to a statement by the FINRA staff when the staff went on the record for DeBlase's OTR on February 25, telephone call, Mr. DeBlase stated, during the February 18, 2014 telephone call, that he was unsure if he would be able to attend the scheduled OTR due to a possible medical procedure. CX-31, at 3.

<sup>38</sup> Weber Decl. ¶ 38.

## 2. Second Request

Later on February 25, 2014, FINRA staff requested that DeBlase appear on March 12, 2014, for an OTR at the FINRA's New York offices pursuant to FINRA Rule 8210 (the "Second Request").<sup>40</sup> FINRA staff sent the Second Request to DeBlase by first-class mail and by certified mail, return receipt requested, to the CRD address, the Atlantic Highlands address, the Long Branch address, and the New York address.<sup>41</sup>

On March 5, 2014, FINRA staff attempted to contact DeBlase by telephone at the cellphone number at which FINRA staff had previously reached him to discuss whether he intended to appear for the March 12, 2014, OTR. FINRA staff left a detailed voice mail with DeBlase, including the date of the scheduled OTR. DeBlase did not return the call.<sup>42</sup>

DeBlase failed to appear on March 12, 2014, for an OTR pursuant to the Second Request.<sup>43</sup>

## 3. Conclusion

FINRA staff properly served two requests that DeBlase appear for an on-the-record interview. DeBlase received actual notice of the First Request and valid constructive notice of the Second Request. Accordingly, DeBlase violated FINRA Rule 8210 by not appearing for an OTR in response to these requests. In violating FINRA Rule 8210, DeBlase violated FINRA Rule 2010.<sup>44</sup>

### F. Second Cause of Action – Violation of Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010

The Second Cause of Action alleges that DeBlase violated Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010 by failing to update his Form U4 timely to disclose that he had been charged with a felony.

FINRA's By-Laws and FINRA Rule 1122 require registered persons to ensure that the information required by Form U4 is current and accurate. Article V, Section 2 of FINRA's By-Laws requires that associated persons applying for registration with FINRA provide "such . . . reasonable information with respect to the applicant as [FINRA] may require" and further that

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<sup>39</sup> Weber Decl. ¶ 39; CX-31.

<sup>40</sup> Weber Decl. ¶ 40; CX-32, at 1.

<sup>41</sup> Weber Decl. ¶ 41; CX-32, at 1.

<sup>42</sup> Weber Decl. ¶ 43.

<sup>43</sup> Weber Decl. ¶ 34; CX-40.

<sup>44</sup> See *Plunkett*, 2014 SEC LEXIS 3396, at \*3 n.3 (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.")

applications “shall be kept current at all times by supplementary amendments . . . filed . . . not later than 30 days after learning of the facts or circumstances giving rise to the amendment.” FINRA Rule 1122 prohibits associated persons from filing or failing to correct registration information that is incomplete or inaccurate so as to be misleading. Thus failing to timely disclose information required by Form U4 violates Article V, Section 2 of FINRA’s By-Laws and FINRA Rule 1122. Failing to timely disclose information on a Form U4 also violates Rule 2010.<sup>45</sup>

On October 9, 2010, while registered with FINRA through an association with BGC Financial, DeBlase was arrested and charged in the Municipal Court of Wall Township, New Jersey, with possession of a controlled dangerous substance in the third degree in violation of section 2:35-10a(1) of the New Jersey Code of Criminal Justice (the “controlled substance charge”).<sup>46</sup> The controlled substance charge was resolved on January 13, 2010, when DeBlase pled guilty to the lesser offense of disorderly conduct.<sup>47</sup>

At the beginning of Section 14 of Form U4 is the instruction, “If the answer to any of the following questions is ‘yes’, complete details of all events or proceedings on the appropriate DRP(s) [Disclosure Reporting Pages].”<sup>48</sup> One of the questions that follows this instruction is Question 14A(2)(b), which asks, “Have you ever been charged with any felony?”<sup>49</sup> The Criminal DRP provides, “Unrelated criminal actions, including separate cases arising out of the same event, must be reported on separate DRPs” and then asks a number of questions regarding each unrelated criminal action.<sup>50</sup>

The general instructions for Form U4 define, “Felony” as “an offense punishable by a sentence of at least one year and/or a fine of at least \$1,000.”<sup>51</sup> The New Jersey Code of Criminal Justice provides that third degree crimes are punishable by a term between three and five years.<sup>52</sup> Thus the controlled substance charge was a felony charge. The lesser offense of disorderly conduct, to which DeBlase pled guilty, is not, however, a felony.<sup>53</sup>

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<sup>45</sup> *E.g., Dep’t of Enforcement v. Mathis*, Complaint No. C10040052, 2008 FINRA Discip. LEXIS 49, at \*16-17 (FINRA NAC Dec. 12, 2008) (failure to disclose tax liens on Form U4 violated NASD Rule 2110, the predecessor to FINRA Rule 2010), *aff’d*, *Scott Mathis*, Exchange Act Release No. 61120, 2009 SEC LEXIS 4376 (Dec. 7, 2009), *aff’d*, *Mathis v. SEC*, 671 F.3d 210 (2d Cir. 2012).

<sup>46</sup> Weber Decl. ¶ 25.

<sup>47</sup> Weber Decl. ¶ 25.

<sup>48</sup> CX-20, at 9.

<sup>49</sup> CX-20.

<sup>50</sup> CX-22, at 16.

<sup>51</sup> Weber Decl. ¶ 25.

<sup>52</sup> Weber Decl. ¶ 25; NJ Rev Stat § 2C:43-6(3) (2013).

<sup>53</sup> Weber Decl. ¶ 26.



DeBlase did not timely disclose the felony charge. In fact, he did not amend his Form U4 before departing BGC Financial on December 3, 2010.<sup>54</sup>

In addition, DeBlase did not disclose the controlled substance charge in the Criminal DRPs when he completed a Form U4 in connection with joining JVB.<sup>55</sup> Although DeBlase answered “Yes,” to Form U4 Question 14A(2)(b), he provided information in response to the Criminal DRPs only regarding a 1993 felony charge that he had previously disclosed on his Form U4. DeBlase did not provide information regarding the controlled substance charge in a Criminal DRP.<sup>56</sup>

JVB Financial did not become aware of the controlled substance charge until JVB Financial received the results of the FBI fingerprint check for DeBlase following the submission of his Form U4 to CRD.<sup>57</sup> On September 4, 2012, after JVB Financial learned of the controlled substance charge, DeBlase signed an updated Form U4 which reflected the controlled substance charge in a Criminal DRP.<sup>58</sup> This amended Form U4 was filed on September 12, 2012.<sup>59</sup>

The controlled substance charge against DeBlase was a felony charge that should have been disclosed in connection with the Form U4. Accordingly, DeBlase violated Article V, Section 2(c) of FINRA’s By-Laws and FINRA Rules 1122 and 2010 by failing to timely amend his Form U4 while at BGC Financial and by completing a Form U4 when he joined JVB Financial that did not disclose the controlled substance charge.

### **III. Sanctions**

#### **A. First Cause of Action – Violation of FINRA Rules 8210 and 2010**

When an individual fails to provide information in response to a Rule 8210 request, FINRA’s ability to perform its regulatory functions is subverted.<sup>60</sup> The FINRA Sanction Guidelines (“Guidelines”) recommend a bar when a respondent fails to respond in any manner to a request for information issued pursuant to Rule 8210.<sup>61</sup> DeBlase twice failed to appear for an OTR. Accordingly, a bar is the appropriate sanction for this violation.

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<sup>54</sup> Weber Decl. ¶¶ 27, 28.

<sup>55</sup> Weber Decl. ¶ 29; CX-20.

<sup>56</sup> Weber Decl. ¶¶ 29-30; CX-20, at 9; CX-20, at 16-7.

<sup>57</sup> Weber Decl. ¶ 30.

<sup>58</sup> Weber Decl. ¶ 31; CX-22.

<sup>59</sup> Weber Decl. ¶ 31.

<sup>60</sup> *Dep’t of Enforcement v. Mielke*, Complaint No. 2009019837302, 2014 FINRA Discip. LEXIS 24, at \*79 (FINRA NAC July 18, 2014).

<sup>61</sup> FINRA Sanction Guidelines at 33, available at [www.finra.org/sanctionguidelines](http://www.finra.org/sanctionguidelines).

**B. Second Cause of Action – Violation of Article V, Section 2(c) of FINRA’s By-Laws and FINRA Rules 1122 and 2010**

The Guidelines recommend consideration of a suspension of 5 to 30 business days and a fine of \$2,500 to \$50,000 when an individual respondent filed a false Form U4.<sup>62</sup> In egregious cases, the Guidelines recommend that the adjudicator consider a longer suspension in any and all capacities (of up to two years) or a bar.<sup>63</sup> DeBlase’s violation of Article V, Section 2(c) of FINRA’s By-Laws and FINRA Rules 1122 and 2010 by failing to timely disclose the controlled substance charges on his Form U4 warrants a suspension in all capacities for 20 business days and a fine of \$5,000, but the Hearing Officer does not impose these sanctions on DeBlase in light of the bar imposed on DeBlase for his failure to respond to the Rule 8210 requests.

**IV. Order**

For violating FINRA Rules 8210 and 2010 by twice not appearing and providing testimony in response to FINRA’s requests that he appear for on-the-record testimony, Anthony Joseph DeBlase is barred from associating with any FINRA member firm in any capacity. In light of the bar, no additional sanctions are imposed on DeBlase for violating Article V, Section 2(c) of FINRA’s By-Laws and FINRA Rules 1122 and 2010 by failing to timely disclose a felony charge on his Form U4.



Kenneth Winer  
Hearing Officer

Copies to: Anthony J. DeBlase (*via overnight courier and first-class mail*)  
Frank M. Weber, Esq. (*via first-class mail and electronic mail*)  
Gina M. Petrocelli, Esq. (*via electronic mail*)  
Lara Thyagarajan, Esq. (*via electronic mail*)  
Jeffrey D. Pariser, Esq. (*via electronic mail*)

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<sup>62</sup> Guidelines at 69.

<sup>63</sup> Guidelines at 70.

**FINANCIAL INDUSTRY REGULATORY AUTHORITY**

**OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

Anthony J. DeBlase (CRD No. 1308014),

Respondent.

DISCIPLINARY PROCEEDING  
No. 2012034431401

**COMPLAINT**

The Department of Enforcement alleges:

**SUMMARY**

1. Respondent Anthony J. DeBlase failed to appear for an on the record interview (“OTR”) following requests issued pursuant to FINRA Rule 8210. DeBlase also failed to disclose on Uniform Applications for Securities Industry Registration or Transfer (“Forms U4”) that he was charged with felony possession of cocaine in the State of New Jersey.

**RESPONDENT AND JURISDICTION**

2. DeBlase first became registered with FINRA as a Government Securities Representative (“RG”) through a former member firm on August 22, 1990. DeBlase was registered through that firm until September 19, 1991.
3. From June 1, 1993 through September 3, 1997, DeBlase was registered as an RG through two different member firms.

4. On December 16, 1997, DeBlase became registered with FINRA as an RG through an association with member firm BGC Financial, L.P. (BD No. 19801) (“BGC”). On September 16, 1998, DeBlase also became registered as a Government Securities Principal (“PG”) through that firm. DeBlase was registered through BGC until December 9, 2010.
5. From September 18, 2012 until October 17, 2012, DeBlase was registered as a PG and RG through member firm JVB Financial Group, LLC (“JVB”). On October 17, 2012, JVB filed with the Central Registration Depository (“CRD”) a Uniform Termination Notice for Securities Industry Registration (“Form U5”) disclosing that DeBlase had been voluntarily terminated as of October 16, 2012.
6. DeBlase is not currently registered through or associated with a FINRA member firm.
7. Although DeBlase 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 after the effective date of termination of his registration with JVB, namely, October 17, 2012; and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member and with failing to respond to FINRA requests to appear for OTR testimony during the two-year period after the date upon which he ceased to be registered or associated with a FINRA member.

**FIRST CAUSE OF ACTION  
Failure to Appear  
(Violation of FINRA Rules 8210 and 2010)**

8. The Department realleges and incorporates by reference paragraphs 1 through 7 above.
9. In or about early 2014, on the dates specified below, the Department of Member Regulation Staff of FINRA's District 10 office (the "Staff") sought to obtain DeBlase's OTR testimony in connection with the Staff's investigation into DeBlase's apparent failure to disclose a felony criminal charge on his Form U4.
10. By letter dated February 7, 2014, the Staff requested, pursuant to FINRA Rule 8210, that DeBlase appear for an OTR at the Staff's New York offices at One World Financial Center, 200 Liberty Street, New York, NY 10281 (the "Staff's Offices") on February 25, 2014 at 10:00 a.m. (the "First Request").
11. The First Request was sent to DeBlase by first class mail and by certified mail, return receipt requested, to the following addresses:
  - a. DeBlase's most recent current address as reflected on Central Registration Depository "CRD") records (the "CRD Address"). The certified mailing to the CRD Address was returned to the Staff by the United States Postal Service ("USPS"), marked "FORWARD TIME EXP, RTN TO SEND." The first class mailing was also returned to the Staff with the same marking by the USPS as the certified mailing;
  - b. an address located in Atlantic Highlands, NJ, that DeBlase provided to the Staff in April 2013 as his then current address (the "Atlantic Highlands Address"). The certified mailing to the Atlantic Highlands Address was

returned to the Staff by the USPS marked “Return to sender, not deliverable as addressed, unable to forward.” The first class mailing was also returned to the Staff by the USPS. The first class mailing contained two separate notes from the USPS. One note states “Notify sender of new address” and sets forth an address for DeBlase at 53 Dunbar Ave, Apt 2, Long Branch, NJ 07740-6441.” The second note states “Return to sender, not deliverable as addressed, unable to forward”;

- c. an address located in Long Branch, NJ, that DeBlase provided to the Staff in November 2013 as his then current address (the “Long Branch Address”). The certified mailing to the Long Branch Address was returned to the Staff by the USPS marked “Return to sender, not deliverable as addressed, unable to forward.” The first class mailing to the Long Branch Address was also returned to the Staff by the USPS with the same marking as the certified mailing;
- d. an address located in New York, NY, that DeBlase provided to the Staff in January 2014 as his then current address (the “New York Address”). Neither the certified mailing return receipt card, nor the first class mailing was returned to the Staff by the USPS.

12. The First Request was also sent to DeBlase by email to an email address that DeBlase had provided to the Staff (the “Email Address”).

13. On February 25, 2014, DeBlase failed to appear as requested.

14. On February 25, 2014, following DeBlase’s failure to appear in response to the First Request, the Staff sent a second notice, pursuant to FINRA Rule 8210 requesting

DeBlase's appearance for an OTR at the Staff's Offices on March 12, 2014 at 10:00 a.m. (the "Second Request").

15. The Second Request was sent to DeBlase by first class mail and by certified mail, return receipt requested to the CRD Address, the Atlantic Highlands Address, the Long Branch Address and the New York Address.
16. The certified mailing to the CRD Address was returned to the Staff by the USPS, marked "FORWARD TIME EXP, RTN TO SEND." The first class mailing was also returned to the Staff with the same marking by the USPS as the certified mailing.
17. The certified mailing to the Atlantic Highlands Address was returned to the Staff by the USPS with two separate notes from the USPS. One note states "Notify Sender of New Address," and the second note states, "Return to sender, not deliverable as addressed, unable to forward." The first class mailing was also returned to the Staff by the USPS with the note "Return to sender, not deliverable as addressed, unable to forward."
18. The certified mailing to the Long Branch Address was returned to the Staff by the USPS marked "Return to sender, not deliverable as addressed, unable to forward." The first class mailing to the Long Branch Address was also returned to the Staff by the USPS with the same marking as the certified mailing.
19. With respect to the New York Address, neither the certified mailing, the certified mailing return receipt card, nor the first class mailing was returned to the Staff by the USPS.
20. The Second Request was also sent to DeBlase by email to the Email Address.

21. On March 12, 2014, DeBlase failed to appear as requested. To date, DeBlase has failed to appear for his on-the-record interview.

22. By reason of the foregoing, DeBlase violated FINRA Rules 8210 and 2010.

**SECOND CAUSE OF ACTION  
Form U4 Violation  
(Violation of Article V, Section 2(c) of FINRA's By-Laws and  
FINRA Rules 1122 and 2010)**

23. The Department realleges and incorporates by reference paragraphs 1 through 22 above.

24. On October 9, 2010, at a time when DeBlase was registered with FINRA through an association with BGC, DeBlase was charged in the Municipal Court of Wall Township, New Jersey with possession of a controlled dangerous substance in the third degree in violation of section 2:35-10a(1) of the New Jersey Code of Criminal Justice, a felony equivalent under New Jersey law. Specifically, DeBlase was charged with possession of cocaine.

25. The charges were resolved on January 13, 2011 when DeBlase pled guilty to a disorderly conduct offense, a misdemeanor equivalent under New Jersey law.

26. DeBlase failed to update his Form U4 at BGC (where he remained employed until December 3, 2010) to report the felony charge.

27. Specifically, within 30 days of the charges (or no later than November 8, 2010), DeBlase should have disclosed the charges on his Form U4 in response to Form U4 question 14A(2)(b) which asks, “[h]ave you ever been charged with any felony?”

28. Thereafter, on August 1, 2012, DeBlase failed to disclose the felony charge on a Form U4 that he completed and signed in connection with an application for registration through JVB. JVB filed the Form U4 with FINRA on DeBlase's behalf



on August 1, 2012.

29. While DeBlase answered “yes” to Form U4 question 14A(2)(b), DeBlase only disclosed information regarding a 1993 felony charge that was previously disclosed on DeBlase’s Form U4.
30. DeBlase did not file a Disclosure Reporting Page or otherwise provide any information regarding the October 9, 2010 felony charge on August 1, 2012.
31. On September 12, 2012, after the results of an FBI fingerprint check performed in connection with DeBlase’s application for registration revealed the October 9, 2010 felony charge, DeBlase belatedly disclosed the charge on his Form U4 at JVB.
32. By reason of the foregoing, DeBlase violated Article V, Section 2(c) of FINRA’s By-Laws and FINRA Rules 1122 and 2010.

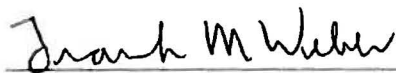
#### **RELIEF REQUESTED**

WHEREFORE, the Department respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent 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 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: August 21, 2014



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