

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

SHARON GOODALE
(CRD No. 4970485),

Respondent.

Disciplinary Proceeding
No. 2013035445001

Hearing Officer — KBW

DEFAULT DECISION

February 10, 2015

Respondent is barred from associating with any FINRA member firm in any capacity for failing to respond to multiple FINRA requests for documents and information, in violation of FINRA Rules 8210 and 2010.

Appearances

Artur M. Wlazlo, Esq., and Lara Thyagarajan, Esq., for the Department of Enforcement.

No appearance by or on behalf of Sharon Goodale.

DECISION

I. Introduction

The Department of Enforcement filed the attached Complaint with the Office of Hearing Officers on October 1, 2014. The Complaint charges that Respondent Sharon Goodale (“Goodale”) violated FINRA Rules 8210 and 2010 by failing to respond to five requests for documents and information pursuant to FINRA Rule 8210.¹ Goodale failed to file an answer or other response to the Complaint.

Accordingly, on December 15, 2014, Enforcement filed a Motion for Entry of Default Decision and Imposition of Sanctions and Memorandum of Law (“Default Motion”). The Default Motion is supported by a Declaration of Artur M. Wlazlo in Support of Motion for Entry of Default Decision and Request for Sanctions (“Wlazlo Decl.”) and exhibits labeled CX-1 through CX-24. Enforcement requests that Goodale be barred from associating with any FINRA member firm in any capacity. Goodale did not respond to the Default Motion.

¹ FINRA’s Rules are available at www.finra.org/Rules.

II. Findings of Fact and Conclusions of Law

A. Goodale's Background

Goodale first became registered with FINRA in 2005.² In 2011, Goodale became registered with NY Life Securities LLC (“NY Life”) as a General Securities Representative.³ In January 2013, NY Life filed a Uniform Termination Notice for Securities Industry Registration (“Form U5”) reporting Goodale’s termination as of December 2012.⁴ The Form U5 disclosed, among other things, that “Ms. Goodale was permitted to resign after she admitted to violating company policy by signing four pre-filled traditional insurance applications without actually witnessing the respective customers sign the applications in her presence. Ms. Goodale stated that she signed the applications at the direction of her former manager.”⁵

Goodale has not been registered or associated with a FINRA member firm since she was terminated by NY Life in December 2012.⁶

B. 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 October 1, 2014, which is within two years after the termination of Goodale’s registration, and (2) the Complaint alleges that Goodale failed, while subject to FINRA’s jurisdiction during the two years following the termination of her registration, to provide information requested by FINRA pursuant to FINRA Rule 8210.⁷

C. Origin of the Investigation

FINRA commenced the investigation that led to the filing of the Complaint in this matter after NY Life filed the Form U5. FINRA staff investigated the circumstances leading to Goodale’s termination by NY Life, including the allegation regarding four pre-filled insurance applications.⁸

² Wlazlo Decl. ¶ 5; CX-1, at 2.

³ Wlazlo Decl. ¶ 6; CX-1, at 2.

⁴ Wlazlo Decl. ¶ 7; CX-2.

⁵ Wlazlo Decl. ¶ 7; CX-2, at 5.

⁶ Wlazlo Decl. ¶ 8; CX-1, at 2.

⁷ See Article V, Sec. 4(a), FINRA By-Laws, www.finra.org/Rules (then follow “FINRA Manual” hyperlink to “Corporate Organization: By-Laws”).

⁸ Wlazlo Decl. ¶ 10.

D. Service of the Complaint and Goodale's Default

1. First Notice

On October 1, 2014, Enforcement served a copy of the Notice of Complaint and the Complaint (collectively, "First Notice") by first-class mail and by certified mail (return receipt requested) on Goodale at her residential address, as reflected in the Central Registration Depository ("CRD address") and at an address that the U.S. Postal Service had provided to FINRA staff in connection with a letter that FINRA staff had previously mailed to Goodale ("new address").⁹

Both mailings to Goodale's CRD address were returned to Enforcement with a handwritten note indicating that Goodale no longer lived at that address.¹⁰ The return receipt card for the certified mailing to Goodale's CRD address was returned unsigned.¹¹

The first-class mailing to the new address was not returned.¹² The return receipt card for the certified mailing sent to the new address was returned with an illegible signature.¹³

The First Notice stated that Goodale was required to answer the Complaint no later than October 29, 2014.¹⁴ Goodale did not file an answer or other response by that date.¹⁵

2. Second Notice

On October 30, 2014, Enforcement served a copy of the Second Notice of Complaint and the Complaint ("Second Notice") by first-class mail and by certified mail (return receipt requested) on Goodale at her CRD address and new address.¹⁶

Both mailings to Goodale's CRD address were returned to Enforcement.¹⁷ The return receipt card for the certified mailing to Goodale's CRD address was returned to Enforcement unsigned.¹⁸

⁹ Wlazlo Decl. ¶¶ 13, 29; CX-3.

¹⁰ Wlazlo Decl. ¶ 14; CX-4; CX-5.

¹¹ Wlazlo Decl. ¶ 14; CX-4.

¹² Wlazlo Decl. ¶ 15.

¹³ Wlazlo Decl. ¶ 15; CX-6.

¹⁴ Wlazlo Decl. ¶ 17; CX-3, at 2.

¹⁵ Wlazlo Decl. ¶ 17.

¹⁶ Wlazlo Decl. ¶ 18; CX-7.

¹⁷ Wlazlo Decl. ¶ 19; CX-8; CX-9.

¹⁸ Wlazlo Decl. ¶ 19; CX-8.

The first-class mailing to Goodale's new address was not returned to Enforcement.¹⁹ The return receipt card for the certified mailing to Goodale's new address was returned with an illegible signature and a notation that the date of delivery was "11-3-14."²⁰

The Second Notice stated that Goodale was required to answer the Complaint no later than November 17, 2014.²¹ Goodale did not file an answer or other response by that date.²²

3. Goodale's Default

Enforcement properly served Goodale with a copy of the Complaint, and Goodale received valid constructive notice of this proceeding. Goodale defaulted by failing to file an Answer or other response to the Complaint. Accordingly, the allegations in the attached Complaint are deemed admitted pursuant to Rules 9125(f) and 9269(a).

E. Failure to Respond to FINRA Requests for Documents and Information

The Complaint alleges that Goodale failed to respond to five letters requesting that Goodale provide documents and information to FINRA staff pursuant to FINRA Rule 8210.

1. First Request

On December 6, 2013, as part of its investigation, FINRA staff sent a letter to Goodale requesting documents and information relating to the investigation ("first request").²³ FINRA staff sent the first request to Goodale's CRD address by first-class mail and by certified mail (return receipt requested).²⁴

The first-class mailing was not returned to FINRA staff. The return receipt card was returned to FINRA staff unsigned.²⁵

The first request asked that Goodale provide her response no later than December 20, 2013. Goodale did not provide the requested documents and information by that date.²⁶

¹⁹ Wlazlo Decl. ¶ 20.

²⁰ Wlazlo Decl. ¶ 20; CX-10.

²¹ Wlazlo Decl. ¶ 22; CX-7.

²² Wlazlo Decl. ¶ 22.

²³ Wlazlo Decl. ¶ 25; CX-11.

²⁴ Wlazlo Decl. ¶ 26.

²⁵ Wlazlo Decl. ¶ 26.

²⁶ Wlazlo Decl. ¶¶ 26, 27.

2. Second Request

On January 7, 2014, FINRA staff sent a letter to Goodale requesting the same documents and information as the first request had sought (“second request”).²⁷ FINRA staff sent the first request to Goodale’s CRD address by first-class mail and by certified mail (return receipt requested).²⁸

The first-class mailing was returned to FINRA staff with a marking indicating that Goodale’s new address was in Laguna Hills, California. The return receipt card was returned to FINRA staff unsigned.²⁹

The second request asked that Goodale provide her response no later than January 21, 2014. Goodale did not provide the requested documents and information by that date.³⁰

3. Third Request

On February 21, 2014, FINRA staff sent a letter to Goodale requesting documents and information as the first request and second request had sought (“third request”).³¹ FINRA staff sent the third request to Goodale’s CRD address and new address. FINRA staff sent the third request by first-class mail and by certified mail (return receipt requested).³²

Both mailings to Goodale’s CRD address were returned to FINRA staff and the first-class mailing was marked with an indication that Goodale’s forwarding address was the new address.³³

The first-class mailing to Goodale’s new address was not returned to FINRA staff.³⁴ The return receipt card for the certified mailing to Goodale’s new address was returned with an illegible signature.”³⁵

The third request asked that Goodale provide her response no later than March 7, 2014. Goodale did not provide the requested documents and information by that date.³⁶

²⁷ Wlazlo Decl. ¶ 28; CX-13.

²⁸ Wlazlo Decl. ¶ 29.

²⁹ Wlazlo Decl. ¶ 29.

³⁰ Wlazlo Decl. ¶¶ 28, 30.

³¹ Wlazlo Decl. ¶ 31; CX-16.

³² Wlazlo Decl. ¶ 32; CX-17.

³³ Wlazlo Decl. ¶ 33, CX-17.

³⁴ Wlazlo Decl. ¶ 34.

³⁵ Wlazlo Decl. ¶ 34, CX-18.

³⁶ Wlazlo Decl. ¶¶ 31, 35.

4. Fourth Request

On March 28, 2014, FINRA staff sent a letter to Goodale requesting documents and information as the previous requests had sought (“fourth request”).³⁷ FINRA staff sent the fourth request to Goodale’s CRD address and new address. FINRA staff sent the fourth request by first-class mail and by certified mail (return receipt requested).³⁸

Both mailings to the CRD address were returned to FINRA staff.³⁹ The first-class mailing to Goodale’s new address was not returned to FINRA staff.⁴⁰ The return receipt card for the certified mailing to the new address was returned with an illegible signature.⁴¹

The fourth request asked that Goodale provide her response no later than April 11, 2014. Goodale did not provide the requested documents and information by that date.⁴²

5. Fifth Request

On June 12, 2014, FINRA staff sent a letter to Goodale requesting documents and information as the previous requests had sought (“fifth request”).⁴³ FINRA staff sent the fifth request to Goodale’s CRD address and new address.⁴⁴ FINRA staff sent the fifth request by first-class mail and by certified mail (return receipt requested).⁴⁵

Both mailings to Goodale’s CRD address were returned to FINRA staff.⁴⁶ The first-class mailing to Goodale’s new address was not returned to FINRA staff.⁴⁷ The return receipt card for the certified mailing to the new address was returned with an illegible signature.”⁴⁸

The second request asked that Goodale provide her response no later than June 26, 2014.⁴⁹ Goodale did not provide the requested documents and information by that date.⁵⁰

³⁷ Wlazlo Decl. ¶ 36; CX-19.

³⁸ Wlazlo Decl. ¶ 37.

³⁹ Wlazlo Decl. ¶ 38.

⁴⁰ Wlazlo Decl. ¶ 39.

⁴¹ Wlazlo Decl. ¶ 39; CX-21.

⁴² Wlazlo Decl. ¶¶ 36, 40; CX-19.

⁴³ Wlazlo Decl. ¶ 41; CX-22.

⁴⁴ Wlazlo Decl. ¶ 42.

⁴⁵ Wlazlo Decl. ¶ 42.

⁴⁶ Wlazlo Decl. ¶ 43.

⁴⁷ Wlazlo Decl. ¶ 44.

⁴⁸ Wlazlo Decl. ¶ 44.

⁴⁹ Wlazlo Decl. ¶ 41; CX-22.

⁵⁰ Wlazlo Decl. ¶ 45.

6. Discussion

FINRA Rule 8210 requires FINRA members and their associated persons to cooperate with FINRA investigations by providing information and documents when requested by FINRA staff. FINRA Rule 8210(c) provides, in part, that no person shall fail to provide information pursuant to 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 in writing, with respect to any matter involved in the investigation.

FINRA Rule 8210(d) specifies that "notice under this Rule shall be deemed received by the . . . currently or formerly registered person to whom it is directed by mailing or otherwise transmitting the notice to . . . the last known residential address of the person as reflected in the Central Registration Depository."⁵¹

Accordingly, Goodale received valid constructive notice of the five requests and violated FINRA Rule 8210 by failing to respond to FINRA's requests for testimony. In violating FINRA Rule 8210, she also violated FINRA Rule 2010.⁵²

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."⁵³ FINRA made multiple requests for documents and information. Goodale did not respond to any of the requests. Accordingly, a bar is the appropriate sanction under the circumstances of this case.

IV. Order

Sharon Goodale is barred from associating with any member firm in any capacity for failing to comply with FINRA's requests for documents and information, in violation of

⁵¹ FINRA Rule 8210(d).

⁵² 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.").

⁵³ Guidelines 33 (2013), www.finra.org/Industry/Enforcement/SanctionGuidelines.

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: Sharon Goodale (*via overnight courier and first-class mail*)
Artur M. Wlazlo, Esq. (*via email and first-class mail*)
Lara Thyagarajan, Esq. (*via email*)
Jeffrey D. Pariser, Esq. (*via email*)

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Sharon Goodale (CRD No. 4970485),

Respondent.

DISCIPLINARY PROCEEDING
No. 2013035445001

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. From December 2013 through June 12, 2014, Respondent Sharon Goodale (“Respondent” or “Goodale”) failed to respond to five requests for documents and information issued pursuant to FINRA Rule 8210. Therefore, Goodale violated FINRA Rules 8210 and 2010.

JURISDICTION

2. Goodale first became registered with FINRA as a General Securities Representative (GS) through a member firm on September 13, 2005. From September 9, 2011 through January 3, 2013, she was registered as a General Securities Representative (GS) through NY Life Securities LLC (“NY Life” or the “Firm”) (BD No. 5167).
3. On January 3, 2013, NY Life filed a Uniform Termination Notice for Securities Industry Registration (“Form U5”) reporting Goodale’s termination as of December

4, 2012. The Form U5 provided, among other things, that “Goodale was permitted to resign after she admitted to violating company policy by signing four pre-filled traditional insurance applications without actually witnessing the respective customers sign the applications in her presence.”

4. Goodale has not been registered with FINRA or associated with a FINRA member firm since NY Life filed the Form U5 reporting her termination.
5. Although Goodale is no longer registered with FINRA or associated with a FINRA member, she 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 Goodale’s registration with NY Life, namely, January 3, 2013, and (2) the Complaint charges Goodale with failing to respond to FINRA requests to provide documents and information during the two-year period after the date upon which she ceased to be registered or associated with a FINRA member firm.

FIRST CAUSE OF ACTION

***FAILURE TO COOPERATE WITH A FINRA INVESTIGATION
VIOLATION OF FINRA RULES 8210 AND 2010***

6. The Department re-alleges and incorporates by reference paragraphs 1 through 5 above.
7. In or about December 2013, the staff of FINRA’s Member Regulation Department (the “Staff”) began an investigation of Goodale and the circumstances leading to her termination by NY Life, including the allegations that she violated her employer’s policies and procedures by signing four pre-filled traditional life insurance

applications without actually witnessing the respective customers signatures (the “Investigation”).

FINRA’S FIRST REQUEST FOR INFORMATION

8. On December 6, 2013, as part of the Investigation, the Staff sent a letter to Goodale requesting documents and information relating to the Investigation (the “First Request for Information”).
9. The First Request for Information requested that Goodale provide her response by no later than December 20, 2013.
10. Pursuant to FINRA Rule 8210, the First Request for Information was sent via certified mail, return receipt requested, and first class mail to Goodale’s residential address, as reflected in the Central Registration Depository (CRD), at an address in Pomona, CA (the “CRD Address”).
11. According the U.S. Postal Service Tracking and Information System, the First Request for Information sent via certified mail, return receipt requested, was delivered to the CRD Address on December 13, 2013. However, the Domestic Return Receipt card for the certified mailing was returned by the U.S. Postal Service unsigned.
12. The First Request for Information sent via first class mail was not returned by the U.S. Postal Service.
13. Goodale did not provide the requested documents and information by December 20, 2013.

FINRA'S SECOND REQUEST FOR INFORMATION

14. On January 7, 2014, the staff sent a second letter to Goodale requesting the same information and documents relating to the Investigation that were previously requested on December 6, 2013 (the "Second Request for Information").
15. The Second Request for Information requested that Goodale provide her response by no later than January 21, 2014.
16. Pursuant to FINRA Rule 8210, the Second Request for Information was sent via certified mail, return receipt requested, and first class mail to the CRD Address.
17. The Second Request for Information sent via certified mail, return receipt requested, was returned by the U.S. Postal Service.
18. The Second Request for Information sent via first class mail was returned by the U.S. Postal Service. The returned first class mailing contained a label, indicating that Goodale's forwarding address was at an address in Laguna Hills, CA (the "Forwarding Address").
19. Goodale did not provide the requested documents and information by January 21, 2014.

FINRA'S THIRD REQUEST FOR INFORMATION

20. On February 21, 2014, the staff sent a third letter to Goodale requesting the same information and documents relating to the Investigation that were previously requested on December 6, 2013 and January 7, 2014 (the "Third Request for Information").

21. The Third Request for Information requested that Goodale provide her response by no later than March 7, 2014.
22. Pursuant to FINRA Rule 8210, the Third Request for Information was sent via certified mail, return receipt requested, and first class mail to the CRD Address and the Forwarding Address.
23. The Third Request for Information sent to the CRD Address via certified mail, return receipt requested, and first class mail was returned by the U.S. Postal Service.
24. According to the U.S. Postal Service Tracking and Information System, the Third Request for Information sent to the Forwarding Address via certified mail, return receipt requested, was delivered on February 24, 2014. The Domestic Return Receipt card for the certified mailing to the Forwarding Address was returned by the U.S. Postal Service with an illegible signature, indicating that it was received by the “Agent” on “2/24/14.”
25. The Third Request for Information sent to the Forwarding Address via first class mail was not returned by the U.S. Postal Service.
26. Goodale did not provide the requested documents and information by March 7, 2014.

FINRA’S FOURTH REQUEST FOR INFORMATION

27. On March 28, 2014, the staff sent a fourth letter to Goodale requesting the same information and documents relating to the Investigation that were previously requested on December 6, 2013, January 7, 2014 and February 21, 2014 (the “Fourth Request for Information”).

28. The Fourth Request for Information requested that Goodale provide her response by no later than April 11, 2014.
29. Pursuant to FINRA Rule 8210, the Fourth Request for Information was sent via certified mail, return receipt requested, and first class mail to the CRD Address and the Forwarding Address.
30. The Fourth Request for Information sent to the CRD Address via certified mail, return receipt requested, and first class mail was returned by the U.S. Postal Service.
31. According to the U.S. Postal Service Tracking and Information System, the Fourth Request for Information sent to the Forwarding Address via certified mail, return receipt requested, was delivered on April 2, 2014. The Domestic Return Receipt card for the certified mailing to the Forwarding Address was returned by the U.S. Postal Service with an illegible signature, indicating that it was received on “4/2/14.”
32. The Fourth Request for Information sent to the Forwarding Address via first class mail was not returned by the U.S. Postal Service.
33. Goodale did not provide the requested documents and information by April 11, 2014.

FINRA’S FIFTH REQUEST FOR INFORMATION

34. On June 12, 2014, the staff sent a fifth letter to Goodale requesting the same information and documents relating to the Investigation that were previously requested on December 6, 2013, January 7, 2014, February 21, 2014 and March 28, 2014 (the “Fifth Request for Information”).
35. The Fifth Request for Information requested that Goodale provide her response by no later than June 26, 2014.

36. Pursuant to FINRA Rule 8210, the Fifth Request for Information was sent via certified mail, return receipt requested, and first class mail to the CRD Address and the Forwarding Address.

37. The Fifth Request for Information sent to the CRD Address via certified mail, return receipt requested, and first class mail was returned by the U.S. Postal Service.

38. According to the U.S. Postal Service Tracking and Information System, the Fifth Request for Information sent to the Forwarding Address via certified mail, return receipt requested, was delivered on June 16, 2014. The Domestic Return Receipt card for the certified mailing to the Forwarding Address was returned by the U.S. Postal Service with an illegible signature, indicating that it was received on "6/16/14."

39. The Fifth Request for Information sent to the Forwarding Address via first class mail was not returned by the U.S. Postal Service.

40. Goodale did not provide the requested documents and information by June 26, 2014

GOODALE'S CONTINUING FAILURE TO COOPERATE

41. To date, Goodale has failed to provide the requested documents and information.

42. By reason of the foregoing, Goodale violated FINRA Rules 8210 and 2010.

RELIEF REQUESTED

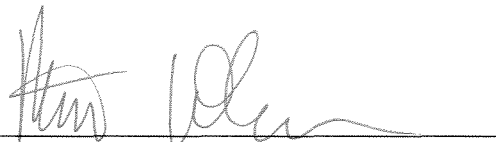
WHEREFORE, the Department of Enforcement respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Goodale 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; and
- C. order that Goodale 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 1, 2014



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Hearing Officer _____

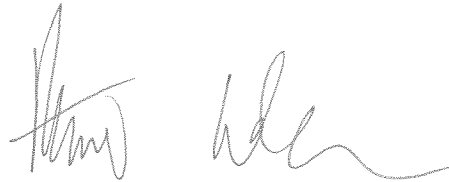
CERTIFICATE OF SERVICE

Date: October 1, 2014

I hereby certify that on this 1st day of October, 2014, I caused a copy of the foregoing
Notice of Complaint and Complaint to be sent as follows:

**TO: VIA CERTIFIED MAIL,
RETURN RECEIPT REQUESTED
NO. 7006 2760 0001 4076 5113
NO. 7006 2760 0001 4076 5120
AND FIRST CLASS MAIL**
Sharon Goodale
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Pomona, CA 91766

Sharon Goodale
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