

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

ERIC DAVID KENNEDY
(CRD No. 5194734),

Respondent.

Disciplinary Proceeding
No. 2013039558401

Hearing Officer—RLP

DEFAULT DECISION

August 28, 2014

Respondent is barred from associating with any FINRA member in any capacity for converting employer funds, in violation of FINRA Rule 2010, and for failing to provide a complete response to requests for information, in violation of FINRA Rules 8210 and 2010. In light of the bars, no further sanction is imposed for Respondent's failure to file necessary amendments to his Form U4, in violation of FINRA Rules 1122 and 2010.

Appearances

Akinyemi Akiwowo, Esq., New York, New York, for the Department of Enforcement.

No appearance by or for Respondent.

DECISION

I. Introduction

In 2013, Respondent Eric D. Kennedy was employed by and registered with FINRA through FINRA member People's Securities, Inc. He also was employed as a personal banker with the firm's affiliate bank. On December 18, 2013, the firm filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") with FINRA reporting that Kennedy had been terminated for "gross misconduct relating to his admission that he took money from his

teller drawer for his own gain.”¹ Thereafter, FINRA began an investigation into the allegations in the Form U5, as well as the circumstances surrounding Kennedy’s failure to disclose on his Uniform Application for Securities Industry Registration (“Form U4”) two unsatisfied civil judgments entered against him. Pursuant to Rule 8210, FINRA staff sent Kennedy multiple requests for information.² After FINRA received only a partial response to these requests, the Department of Enforcement (“Enforcement”) filed a complaint on April 30, 2014, alleging that Kennedy converted employer funds, in violation of FINRA Rule 2010; failed to update his Form U4, in violation of Article V, Section 2(c) of FINRA’s By-Laws and FINRA Rules 1122 and 2010; and failed to respond to requests for information and documents, in violation of FINRA Rules 8210 and 2010.

Kennedy did not answer the complaint. Consequently, on July 24, 2014, Enforcement filed a motion for entry of a default decision, together with the declaration of Akinyemi Akiwowo and 12 exhibits. Kennedy did not respond to the motion.

II. Jurisdiction

Kennedy entered the securities industry in December 2005 when he became associated with People’s Securities, thereafter registering with FINRA as an Investment Company and Variable Contracts Products Representative through the firm. Kennedy remained associated with the firm until he was discharged on November 25, 2013. Since that date, Kennedy has not been registered or associated with any FINRA member.³ He remains subject to FINRA’s jurisdiction, however, because the complaint: (1) was filed within two years after the effective

¹ Complaint ¶¶ 4, 5; Akinyemi Akiwowo’s Declaration in Support of Motion for Entry of Default Decision (“Akiwowo Decl.”), ¶¶ 5, 7; Complainant’s Exhibit (“CX”) 1, at 3, 4; CX-2. Given that Kennedy is in default as detailed below, the factual determinations in this decision are based on allegations in the attached complaint, which are deemed admitted, as well as on the Akiwowo Declaration and its exhibits.

² Akiwowo Decl. ¶¶ 10-11.

³ Complaint ¶¶ 4, 5; Akiwowo Decl. ¶¶ 5-9; CX-1, at 4; CX-2, at 2.

date of termination of his registration; and (2) charges Kennedy with misconduct committed while he was associated with a FINRA member and with failing to respond to requests for information during the two-year period after the termination of his registration.⁴

III. Respondent's Default

On April 30, 2014, Enforcement served the notice of complaint and complaint on Kennedy by first-class and first-class certified mail to his residential address as reflected in FINRA's Central Registration Depository ("CRD"). The first-class mailing was not returned. The certified mailing was returned as unclaimed. Although Kennedy was required to file his answer by May 28, 2014, he failed to do so.⁵

Accordingly, on May 30, 2014, Enforcement served a second notice of complaint and complaint on Kennedy, again by first-class and first-class certified mail to his address as set forth in CRD. Neither mailing was returned, and Enforcement did not receive a return receipt for the certified mailing. Although Kennedy was required to file his answer by June 16, 2014, to date he has not filed an answer or otherwise responded to the complaint.⁶

Kennedy received constructive notice of this proceeding and, therefore, the Hearing Officer finds that Kennedy has defaulted by failing to answer the complaint.⁷ The Hearing Officer deems the allegations in the attached complaint admitted pursuant to FINRA Rules 9215(f) and 9269(a).

⁴ See Article V, Sec. 4(a), FINRA By-Laws, available at www.finra.org/Industry/Regulation/FINRARules (then follow "FINRA Manual" hyperlink to "Corporate Organization: By-Laws").

⁵ Akiwowo Decl. ¶¶ 23-25; CX-10; CX-11.

⁶ Akiwowo Decl. ¶¶ 26-28; CX-12.

⁷ See FINRA Rules 9134(a)(2), (b)(1), and (b)(3); *Dep't of Enforcement v. Moore*, No. 2008015105601, 2012 FINRA Discip. LEXIS 45, at *19-21 (NAC July 26, 2012) (respondent had constructive notice of complaint mailed to his CRD address); see also Notice to Members 99-77, available at www.finra.org/Industry/Regulation/Notices/1999/P004087.

IV. Findings of Fact and Conclusions of Law

A. Kennedy Converted Employer Funds.

On November 22, 2013, Kennedy intentionally and without authorization took \$2,569.36 that belonged to his employer bank from his teller drawer for his personal use—as he admitted to the bank three days later. Thereafter, in an undated, signed statement he submitted to FINRA, Kennedy admitted that he took the money to pay his rent and utilities.⁸

FINRA's Sanction Guidelines define conversion as “an intentional and unauthorized taking of and/or exercise of ownership over property by one who neither owns the property nor is entitled to possess it.”⁹ Thus, when a person intentionally takes and uses another person's property for his own benefit, he engages in conversion.¹⁰ Conversion is conduct patently inconsistent with the high standards of commercial honor and just and equitable principles of trade that FINRA seeks to promote, and therefore violates FINRA Rule 2010.¹¹ Based on the foregoing, the Hearing Officer concludes that Kennedy violated FINRA Rule 2010 by converting his employer's funds.

B. Kennedy Failed to Disclose Civil Judgments on his Form U4.

When People's Securities filed an initial Form U4 on Kennedy's behalf, Question 14M, which inquired whether Kennedy had “any unsatisfied judgments or liens against [him]” was answered “no.” On or about July 30, 2012, the Small Claims Court in Danbury, Connecticut, entered a civil judgment in the amount of \$471.90 against Kennedy and a disposition notice was

⁸ Complaint ¶¶ 8-10.

⁹ FINRA Sanction Guidelines at 36, n.2 (2013), *available at* www.finra.org/Industry/Enforcement/SanctionGuidelines.

¹⁰ *See, e.g., Joseph H. O'Brien II*, 51 S.E.C. 1112 (1994) (president of broker-dealer converted customer funds by withdrawing them from a customer's account without authorization).

¹¹ *See John Edward Mullins*, Exchange Act Rel. No. 66373, 2012 SEC LEXIS 464, at *33 (Feb. 10, 2012); *see also Dep't of Enforcement v. Olson*, No. 2010023349601, 2014 FINRA Discip. LEXIS 7, at *8-9 (Bd. of Governors May 9, 2014), *appeal docketed*, No. 3-15916 (SEC June 9, 2014).

sent to Kennedy on or around July 31. Around seven months later, on March 1, 2013, People's Securities filed an amended Form U4 on Kennedy's behalf. Although the judgment remained unsatisfied at the time of the filing, Kennedy did not disclose it. Then, on or about July 10, 2013, the Small Claims Court in Danbury, Connecticut, entered another civil judgment against Kennedy, this time in the amount of \$557.11, and a disposition notice was sent to Kennedy on or around July 15, 2013. As of April 30, 2014, both judgments remained unsatisfied, but Kennedy's Form U4 was never updated to disclose them.¹²

Article V, Section 2 of FINRA's By-Laws requires that associated persons applying for registration provide FINRA with "such . . . reasonable information with respect to the applicant as [FINRA] may require" and, further, that "[e]very application for registration . . . 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, in turn, prohibits associated persons from filing registration information that "is incomplete or inaccurate so as to be misleading . . . or [from] fail[ing] to correct such filing after notice thereof." These provisions give rise to a duty to provide accurate and current information so as to "assure[] regulatory organizations, employers, and members of the public that they have all material, current information about the securities professional with whom they are dealing."¹³ It follows, therefore, that filing a false or incomplete Form U4 or failing to timely amend a Form U4 violates FINRA Rule 1122.¹⁴ Failing to timely and accurately disclose information on a Form

¹² Complaint ¶¶ 15-21.

¹³ *Richard A. Neaton*, Exchange Act Rel. No. 65598, 2011 SEC LEXIS 3719, at *17-18 (Oct. 20, 2011); see *Robert D. Tucker*, Exchange Act Rel. No. 68210, 2012 SEC LEXIS 3496, at *26 (Nov. 9, 2012).

¹⁴ E.g., *Dep't of Enforcement v. Mathis*, No. C10040052, 2008 FINRA Discip. LEXIS 49, at *15-17 (NAC Dec. 12, 2008) (addressing predecessor IM-1000-1), *aff'd*, Exchange Act Rel. No. 61120, 2009 SEC LEXIS 4376 (Dec. 7, 2009), *aff'd*, 671 F.3d 210 (2d Cir. 2012).

U4 also runs afoul of the high standards of commercial honor and just and equitable principles of trade that FINRA members and their associated persons must observe under Rule 2010.¹⁵

In contravention of his obligation to keep his Form U4 current, Kennedy failed to amend the form within 30 days of receiving the disposition notices to answer “yes” to Question 14M and disclose the unsatisfied judgments. In fact, in an amended filing made seven months after the first judgment was entered and while it remained unsatisfied, Kennedy answered “no” to Question 14M. By failing to update his Form U4 to reflect unsatisfied judgments, Kennedy violated FINRA Rules 1122 and 2010.

C. Kennedy Failed to Respond to Two Requests for Information.

On December 20, 2013, pursuant to Rule 8210, FINRA staff sent Kennedy a letter requesting that he submit a signed statement addressing the allegations of conversion in the Form U5, inform FINRA whether he was the subject of any outstanding liens, judgments, or personal bankruptcies, and include any related documentation. The request was sent by certified mail, return receipt requested, and first-class mail to Kennedy’s address as then reflected in CRD. Kennedy failed to respond to the request.¹⁶

Accordingly, on January 6, 2014, the staff sent another request for the written statement, documents, and information requested in the December letter. This request also was sent by certified mail, return receipt requested, and first-class mail to Kennedy’s CRD address.¹⁷ In an undated, handwritten response to the January 6 letter, Kennedy admitted that he took money from the bank for his personal use, claimed that he had disclosed the unsatisfied judgments to

¹⁵ *Mathis*, 2008 FINRA Discip. LEXIS 49, at *16-17 (addressing predecessor Rule 2110).

¹⁶ Complaint ¶¶ 25-26; Akiwowo Decl. ¶¶ 12-13; CX-3.

¹⁷ Complaint ¶ 27; Akiwowo Decl. ¶ 14; CX-4.

People's Securities, and provided a new residential address.¹⁸ On January 24, 2014, FINRA filed an amendment to Kennedy's Form U5 to update his residential address in CRD to reflect the new address he had provided.¹⁹

On January 31, 2014, pursuant to Rule 8210, Enforcement sent Kennedy by certified mail, return receipt requested, and by first-class mail to his new CRD address, a letter requesting, among other things, information concerning the unsatisfied civil judgments and his claim that he had disclosed the judgments to People's Securities.²⁰ Ultimately, the certified mailing was returned to FINRA undelivered, but the first-class mailing was not returned. Kennedy did not respond to the January 31 letter.²¹

On March 5, 2014, pursuant to Rule 8210, Enforcement sent Kennedy by certified mail, return receipt requested, and by first-class mail to his new CRD address, a second letter requesting the same information requested in the January 31 letter.²² Again, the first-class mailing was not returned to FINRA. Kennedy did not respond to the March 5 letter.²³

FINRA Rule 8210(c) sets forth an unequivocal requirement that registered persons comply with FINRA information requests, providing that "[n]o member or person shall fail to provide information" requested pursuant to the Rule. Although Kennedy responded to the January 6, 2014 letter and provided information about the conversion allegations and an answer to a question about whether he was subject to outstanding judgments, Kennedy failed to respond in any manner to the January 31 and March 5, 2014 requests for additional information about the

¹⁸ Complaint ¶¶ 29, 30; Akiwowo Decl. ¶ 16; CX-6.

¹⁹ Complaint ¶ 31; Akiwowo Decl. ¶ 17.

²⁰ Complaint ¶ 32; Akiwowo Decl. ¶¶ 18-19; CX-7.

²¹ Complaint ¶¶ 33, 34; Akiwowo Decl. ¶ 20; CX-8.

²² Complaint ¶ 35; Akiwowo Decl. ¶ 21; CX-9.

²³ Complaint ¶¶ 36, 37; Akiwowo Decl. ¶ 22.

judgments. Accordingly, the Hearing Officer finds that Kennedy violated Rule 8210. His violation of Rule 8210 is also a violation of Rule 2010.²⁴

V. Sanctions

A. Conversion

In cases involving conversion, the Sanction Guidelines recommend a bar regardless of the amount converted.²⁵ Given that the record does not disclose any factors that would warrant a lesser sanction, the Hearing Officer concludes that Kennedy should be barred from associating with any FINRA member in any capacity for violating FINRA Rule 2010.

B. Failure to Amend U4

For filing a false, misleading or inaccurate Form U4 or failing to file necessary amendments to a Form U4, the Guidelines recommend that an individual be fined from \$2,500 to \$50,000 and suspended in all capacities for 5 to 30 business days. In egregious cases, the Guidelines call for consideration of a suspension in any or all capacities of up to two years, or a bar. The Guidelines also provide that, in determining the appropriate sanction, adjudicators should consider: (1) whether the information at issue was significant; (2) the nature of that information; and (3) whether the respondent's failure to disclose information resulted in a statutorily disqualified individual associating with a firm.²⁶

Here, although his disclosure failure did not result in a statutorily disqualified person associating with his firm, Kennedy failed to disclose information of a sort that would have been important for his employer and customers to know. In addition, turning to general considerations

²⁴ See *Michael A. Rooms*, 58 S.E.C. 220, 228 & n.15 (2005) (holding that efforts to impede NASD (now FINRA) investigations violate high standards of commercial honor and just and equitable principles of trade), *aff'd*, 444 F.3d 1208 (10th Cir. 2006).

²⁵ FINRA Sanction Guidelines at 36.

²⁶ FINRA Sanction Guidelines at 69-70.

applicable to all violative conduct, the Hearing Officer notes that Kennedy failed to amend his Form U4 for more than one year after the first judgment was entered and for nearly four months after the entry of the second judgment.²⁷ Indeed, in the March 2013 amendment to his Form U4, Kennedy answered “no” to the question about unsatisfied liens, significantly exacerbating the severity of his misconduct. Under these circumstances, the Hearing Officer finds that it would be appropriate to fine Kennedy \$5,000 and suspend him from associating with any member firm in any capacity for three months. However, in light of the bars imposed upon Kennedy for conversion, addressed above, and his failure to provide information to FINRA, addressed below, the Hearing Officer does not impose a sanction for these violations.

C. Failure to Respond to Rule 8210 Requests

A violation of Rule 8210 is serious because Rule 8210 “provides a means, in the absence of subpoena power, for [FINRA] to obtain from its members information necessary to conduct investigations.”²⁸ The rule thus “is at the heart of the self-regulatory system for the securities industry.”²⁹ For these reasons, FINRA’s Sanction Guidelines recommend a bar when an individual does not respond in any manner.³⁰

Given that Kennedy did respond to FINRA’s January 6, 2014 request for information, his misconduct will be treated as a partial but incomplete response. In such cases, a bar is standard unless the person can demonstrate that the information provided substantially complied with all aspects of the request. The principal considerations for determining sanctions for a partial but incomplete response include: (1) the importance of the information not provided, as viewed from

²⁷ FINRA Sanction Guidelines at 6 (Principal Consideration 9).

²⁸ *Richard J. Rouse*, 51 S.E.C. 581, 584 (1993) (addressing predecessor provision).

²⁹ *Howard Brett Berger*, Exchange Act Rel. No. 58950, 2008 SEC LEXIS 3141, at *13 (Nov. 14, 2008), *petition denied*, 347 F. App’x 692 (2d Cir. 2009).

³⁰ FINRA Sanction Guidelines at 33.

FINRA's perspective, and (2) the number of requests made, the length of time to respond, and the degree of regulatory pressure required to obtain a response.³¹

The first consideration is aggravating. The requested information about his unsatisfied judgments was material to Enforcement's investigation and, according to Enforcement staff, Kennedy's failure to provide that information "impeded FINRA's ability to determine whether he engaged in violations of ... FINRA rules."³² The second consideration also is aggravating. Although Kennedy ultimately provided information sought in the staff's December 20, 2013 request, he did so only after receiving a second request in January seeking the same information. He never provided the information sought in later requests.

The record thus does not disclose that Kennedy substantially complied with all aspects of FINRA's requests for information; it shows instead his complete failure to comply with two of four requests for information. That failure in turn illustrates Kennedy's disregard for his obligation to cooperate with FINRA's investigative efforts. Given that the record does not reveal any mitigating facts that would justify a sanction less than a bar, the Hearing Officer concludes that Kennedy should be barred from associating with any FINRA member in any capacity for violating FINRA Rules 8210 and 2010.

³¹ FINRA Sanction Guidelines at 33.

³² Akiwowo Decl. ¶ 29.

VI. Order

Respondent Eric David Kennedy is barred for violating FINRA Rule 2010 by converting his employer's funds. Kennedy also is barred for violating FINRA Rules 8210 and 2010 by failing to respond completely to requests for information and documents. In light of the bars, no sanction is imposed for Kennedy's violations of FINRA Rules 1122 and 2010. If this decision becomes FINRA's final disciplinary action, the bars shall become effective immediately.



Rada Lynn Potts
Hearing Officer

Copies to:

Eric D. Kennedy (*via overnight courier and first-class mail*)
Akinyemi Akiwowo, Esq. (*via email and first-class mail*)
Michael S. Choi, Esq. (*via email*)
Richard R. Best, Esq. (*via email*)
Jeffrey D. Pariser, Esq. (*via email*)

FINANCIAL INDUSTRY REGULATORY AUTHORITY

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Eric David Kennedy (CRD No. 5194734),

Respondent.

DISCIPLINARY PROCEEDING
No. 2013039558401

COMPLAINT

The Department of Enforcement ("Enforcement") alleges:

SUMMARY

1. On November 22, 2013, while registered with People's Securities, Inc. (the "Firm") and simultaneously employed as a branch manager with the Firm's parent bank (the "Bank"), Respondent converted approximately \$2,500 from his teller drawer in violation of FINRA Rule 2010.
2. On July 30, 2012 and July 10, 2013, while registered with the Firm, Respondent became the subject of two unsatisfied judgments against him. Respondent failed to disclose these judgments on his Uniform Application for Securities Industry Registration or Transfer ("Form U4") in violation of Article V, Section 2(c) of the FINRA By-Laws and FINRA Rules 1122 and 2010.
3. In addition, Respondent failed to respond to two FINRA Rule 8210 requests for information from FINRA staff in violation of FINRA Rule 8210.

RESPONDENT AND JURISDICTION

4. Respondent entered the securities industry in December 2005 when he became associated with the Firm, a FINRA member, as a non-registered employee. In September 2006, he registered as an Investment Company and Variable Contracts Products Representative (Series 6) with the Firm.¹ While associated with the Firm, Respondent was also employed as a branch manager at a Bank branch office located in Bridgeport, Connecticut. Respondent remained associated with the Firm and the Bank until his termination from both on November 25, 2013. Respondent is not currently associated with a FINRA member firm.
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 after the effective date of termination of Respondent's registration with the Firm, namely, December 18, 2013; 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 for information 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 FINRA RULE 2010 (Conversion of Employer Funds)

6. The Department realleges and incorporates by reference paragraphs 1 through 5 above.
7. FINRA Rule 2010 states that a member or associated person "in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade."

¹ From on or around January 25, 2012 through on or around February 1, 2012, Respondent's registration was CE_Inactive.

8. On November 22, 2013, Respondent, intentionally and without authorization from the Bank, took \$2,569.36 that belonged to the Bank from his teller drawer for his personal use.
9. On November 25, 2013, Respondent admitted to the Bank that he took the money for personal use.
10. In an undated, signed statement submitted to FINRA, Respondent admitted that he took the money to pay his rent and utilities.
11. By virtue of the foregoing, Respondent converted funds from the Bank in violation of FINRA Rule 2010.

**SECOND CAUSE OF ACTION
ARTICLE V, SECTION 2(C) OF THE FINRA BY-LAWS AND FINRA RULES 1122 AND 2010
(FAILURE TO UPDATE FORM U4)**

12. The Department realleges and incorporates by reference paragraphs 1 through 11 above.
13. Article V, Section 2(c) of the FINRA By-Laws requires that associated persons keep their Forms U4 “current at all times by supplementary amendments...not later than 30 days after learning of the facts or circumstances giving rise to the amendment.”
14. FINRA Rule 1122 prohibits filing with FINRA information regarding registration “which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof.”
15. At all relevant times, Question 14M on Form U4 asked, “Do you have any unsatisfied judgments or liens against you?” If an affirmative answer is given to Question 14M, the registered person is required to provide details about the lien or judgment.
16. On July 31, 2006, the Firm filed an Initial Form U4 on Respondent’s behalf. The Form U4 indicated “No” in response to Question 14M inquiring about unsatisfied judgments and liens against Respondent.

17. On or about July 30, 2012, a civil judgment in the amount of \$471.90 was entered against Respondent by the Small Claims Court in Danbury, Connecticut. On or about July 31, 2012 a disposition notice was sent to Respondent.
18. On or about July 10, 2013, a civil judgment in the amount of \$557.11 was entered against Respondent by the Small Claims Court in Danbury, Connecticut. On or about July 15, 2013 a disposition notice was sent to Respondent.
19. Both of these judgments remain unsatisfied.
20. Respondent did not amend his Form U4 to disclose the existence of these undisclosed judgments.
21. On March 1, 2013, the Firm filed an Amended Form U4 on Respondent's behalf. The Form U4 indicated "No" in response to Question 14M inquiring about unsatisfied judgments or liens against Respondent.
22. By virtue of the foregoing, Respondent violated Article V, Section 2(c) of FINRA's By-Laws and FINRA Rules 1122 and 2010.

**THIRD CAUSE OF ACTION
FINRA RULES 8210 AND 2010
(FAILURE TO PROVIDE INFORMATION)**

23. The Department realleges and incorporates by reference paragraphs 1 through 22 above.
24. FINRA Rule 8210(a) requires that persons associated with a member firm, or persons subject to FINRA's jurisdiction provide information orally, in writing, or electronically and testify at a location specified by FINRA.
25. On December 20, 2013, FINRA sent a letter to Respondent, pursuant to FINRA Rule 8210, requesting that Respondent submit a written statement addressing allegations that he converted money from his employer, and whether Respondent was the subject of any outstanding liens, judgments or personal bankruptcies. The letter was sent by certified mail,

return receipt requested, and first class mail to Respondent at his last known residential address as reflected in the Central Registration Depository (the “CRD Address”).

26. Respondent did not respond to the December 20 Letter.

27. On January 6, 2014, FINRA sent a second letter to Respondent (the “January 6 Letter”), pursuant to FINRA Rule 8210. The letter was sent by certified mail, return receipt requested, and first class mail to Respondent at his CRD Address.

28. The January 6 certified mailing was returned to FINRA marked “Return to Sender” and identifying a different address for Respondent.

29. In an undated response to the January 6 Letter submitted to FINRA, Respondent provided a new residential address, which was the same address contained on the returned January 6 certified mailing.

30. In his response to the January 6 Letter, Respondent admitted that he took money from the Bank for his personal use. However, Respondent claimed that he disclosed the unsatisfied judgments entered against him to the Firm.

31. On January 24, 2014, FINRA filed an amendment to Respondent’s Uniform Termination Notice for Securities Industry Registration updating his residential address (“New CRD Address”) to reflect the address provided by Respondent in his response to the January 6 Letter.

32. On January 31, 2014, Enforcement sent a letter to Respondent (the “January 31 Letter”) requesting, pursuant to FINRA Rule 8210, information concerning unsatisfied civil judgments against Respondent. Among other things, Enforcement requested information about Respondent’s claim that he disclosed unsatisfied judgments entered against him to the Firm. This information was material to Enforcement’s investigation. The January 31 Letter

was sent by certified mail, return receipt requested, and by first class mail to Respondent's New CRD Address. The January 31 Letter notified Respondent that his response was due by February 14, 2014 and that his failure to adhere to FINRA Rule 8210 requests could expose Respondent to sanctions, including a bar from the securities industry.

33. Delivery of the certified mailing by the United States Postal Service ("USPS") was attempted on February 3, 2014, and a notice of attempted delivery was left at Respondent's CRD Address. The certified mailing was returned to FINRA marked "Return to Sender. No Mail Receptacle. Unable to Forward." The letter sent by first class mail was not returned to FINRA.

34. Respondent has not responded to the January 31 Letter.

35. On March 5, 2014, Enforcement sent a second letter to Respondent (the "March 5 Letter") requesting, pursuant to FINRA Rule 8210, the same information as the January 31 Letter. Among other things, Enforcement requested information about Respondent's claim that he disclosed unsatisfied judgments entered against him to the Firm. The March 5 Letter was sent by certified mail, return receipt requested, and by first class mail to Respondent's New CRD Address. The March 5 Letter notified Respondent that his response was due by March 19, 2014 and that his failure to adhere to FINRA Rule 8210 requests could expose Respondent to sanctions, including a bar from the securities industry.

36. Delivery of the certified mailing by the USPS was attempted on March 7, 2014, and a notice of attempted delivery was left at Respondent's CRD Address. The letter sent by first class mail was not returned to FINRA.

37. Respondent has not responded to the March 5 Letter.

38. By virtue of his failure to respond to the January 31 and March 5 Letters, Respondent violated FINRA Rules 8210 and 2010.

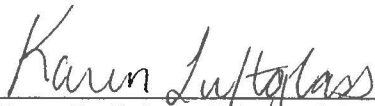
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. Make findings of fact and conclusions of law that Respondent 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: April 30, 2014



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