

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

MICHAEL CHENG NING  
(CRD No. 1229733),

Respondent.

Disciplinary Proceeding  
No. 2024081111301

Hearing Officer–MJD

**DEFAULT DECISION**

October 21, 2025

**In his capacity as the designated custodian of records for a former member firm, Michael Cheng Ning failed to respond to requests for documents and information from FINRA staff in violation of FINRA Rules 4570(b), 8210, and 2010. For this misconduct, Respondent is barred from associating with any FINRA member firm in any capacity.**

*Appearances*

For the Complainant: Robert Miller, Esq., and John Luburic, Esq., Department of Enforcement, Financial Industry Regulatory Authority

For the Respondent: No appearance

**DECISION**

**I. Introduction**

On June 4, 2025, the Department of Enforcement filed a two-cause Complaint against Respondent Michael Cheng Ning alleging that, while subject to FINRA jurisdiction, he failed to provide documents and information that FINRA requested pursuant to FINRA Rules 4570(b) and 8210. At the time, Ning was the designated custodian for the books and records of Ning’s former firm, Arque Capital, Ltd. (“Arque Capital” or the “Firm”). FINRA staff was investigating whether certain securities recommendations by registered representatives associated with Arque Capital were in the best interests of their customers.

Enforcement properly served Ning with two Notices of the Complaint and the Complaint. Ning did not file an Answer to the Complaint. On September 29, 2025, Enforcement filed a Motion for Entry of Default Decision and Request for Imposition of Sanctions (“Default

Motion”) supported by the Declaration of Enforcement counsel Robert Miller (“Miller Decl.”) and nine exhibits (CX-1 through CX-9). Ning did not respond to the Default Motion.

For the reasons set forth below, I find Ning in default and grant Enforcement’s Default Motion. Pursuant to FINRA Rules 9215(f) and 9269(a), I deem the allegations in the Complaint to be admitted. Based on those facts and the additional information provided in support of the Default Motion, I find that Ning committed the violations alleged in the Complaint. For violating FINRA Rules 4570(b), 8210, and 2010, Ning is barred from associating with any FINRA member firm in any capacity.

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

### **A. Ning’s Background**

Ning was associated with various FINRA member firms from 1987 to June 2023.<sup>1</sup> In December 2005, Ning registered with FINRA through his association with member firm Quantum Leap Securities, LLC.<sup>2</sup> In July 2006, Quantum Leap was succeeded in interest by Arque Capital, a company that Ning had formed in 2005.<sup>3</sup> Ning has been president, Chief Executive Officer, and an owner and control person of Arque Capital since July 2006.<sup>4</sup>

At the time he was last associated with a FINRA member firm, Ning was registered as a general securities representative, general securities principal, investment banking representative, investment banking principal, and operations professional.<sup>5</sup> On June 16, 2023, Arque Capital filed a Uniform Termination Notice for Securities Industry Registration (Form U5) terminating Ning’s registration with FINRA.<sup>6</sup> The same day, Arque Capital filed a Uniform Request for Withdrawal from Broker-Dealer Registration (Form BDW), withdrawing its FINRA registration, which became effective on August 17, 2023.<sup>7</sup> Arque Capital is therefore no longer registered with FINRA.<sup>8</sup> On March 29, 2024, Ning, on behalf of Arque Capital, filed an amended Form BDW and Custodian Consent Form with FINRA, naming Ning as the new custodian of records for Arque Capital.<sup>9</sup>

---

<sup>1</sup> Complaint (“Compl.”) ¶ 2; Miller Decl. ¶ 5; Complainant’s Exhibit (“CX-”) 1, at 2-3.

<sup>2</sup> *Id.*

<sup>3</sup> Compl. ¶ 2; Miller Decl. ¶ 5.

<sup>4</sup> Compl. ¶ 2; Miller Decl. ¶¶ 6, 9.

<sup>5</sup> Compl. ¶ 3; Miller Decl. ¶ 7; CX-1, at 4-8.

<sup>6</sup> Compl. ¶ 4; Miller Decl. ¶ 8; CX-1, at 4.

<sup>7</sup> Compl. ¶ 5; Miller Decl. ¶ 8.

<sup>8</sup> Miller Decl. ¶ 10.

<sup>9</sup> Compl. ¶ 9; Miller Decl. ¶ 11; CX-2.

## **B. FINRA’s Jurisdiction Over Ning**

FINRA retains jurisdiction over Ning pursuant to Article V, Section 4(a) of FINRA’s By-Laws because Enforcement filed the Complaint on June 4, 2025, which is within two years after June 16, 2023, the effective date of termination of Ning’s FINRA registration, and the Complaint charges Ning with failing to respond to requests for information during the two-year period after the termination of his registration.<sup>10</sup>

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

FINRA staff began an investigation into whether Arque Capital registered representatives had made securities recommendations that were not in their customers’ best interests. In connection with the investigation, FINRA staff sent Ning, in his capacity as Arque Capital’s custodian of records, requests for documents and information.<sup>11</sup> Ning’s complete failure to respond to the requests led to the filing of the Complaint in this disciplinary proceeding.

## **D. Ning’s Default**

Enforcement twice served Ning with a Notice of Complaint and the Complaint. Although Enforcement filed the First Notice of Complaint and Complaint with the Office of Hearing Officers on June 4, 2025, it later learned that it had inadvertently not mailed the papers to Ning.<sup>12</sup> Accordingly, Ning was not properly served with the Complaint at the time it was filed.

On July 7, 2025, Enforcement served Ning with the Second Notice of Complaint and Complaint by sending them via first-class certified mail, return receipt requested, to his residential address identified in the Central Registration Depository (“CRD”).<sup>13</sup> After learning that it had failed to mail the First Notice of Complaint and Complaint and after Ning failed to respond to the Second Notice of Complaint and Complaint, on July 29, 2025, Enforcement served Ning with a Third Notice of Complaint and Complaint by sending them via first-class certified mail, return receipt requested, to his CRD address.<sup>14</sup>

I find that Enforcement complied with FINRA Rules 9131 and 9134 by properly serving Ning with two Notices of Complaint and the Complaint on July 7 and July 29, 2025, by sending

---

<sup>10</sup> Compl. ¶ 7; Miller Decl. ¶ 13.

<sup>11</sup> Compl. ¶¶ 1, 8.

<sup>12</sup> Miller Decl. ¶ 14. Enforcement also sent copies of the First Notice of Complaint and Complaint to Ning’s personal email address. Miller Decl. ¶ 14.

<sup>13</sup> Miller Decl. ¶ 15; CX-5. Enforcement also sent copies of the Second Notice of Complaint and Complaint to Ning’s personal email address. Miller Decl. ¶ 17.

<sup>14</sup> Miller Decl. ¶ 22; CX-8. Enforcement also sent copies of the Third Notice of Complaint and Complaint to Ning’s personal email address. Miller Decl. ¶ 22.

them via first-class certified mail, return receipt requested, to his last known residential address as recorded in CRD. Respondent thus received valid constructive notice of this proceeding.<sup>15</sup>

Pursuant to FINRA Rules 9134(b) and 9215(f), Ning was required to file an Answer or otherwise respond to the Complaint by August 26, 2025. Ning did not respond to the Complaint. Accordingly, I find that Ning defaulted.

On August 29, 2025, I issued an Order instructing Enforcement to file a Default Motion. On September 29, 2025, Enforcement filed its Default Motion. Pursuant to FINRA Rules 9215(f) and 9269(a)(2), I grant the Default Motion and deem the allegations in the Complaint admitted.<sup>16</sup>

**E. Ning Violated FINRA Rules 4570(b), 8210, and 2010 by Failing to Produce Documents and Information**

The Complaint's first cause of action alleges that Ning violated FINRA Rules 8210 and 2010 by failing to comply with FINRA staff's two requests to produce documents and information while subject to FINRA's jurisdiction.<sup>17</sup> Cause two alleges that, because Ning was Arque Capital's designated custodian of records, his failure to produce documents and information also constituted a violation of FINRA Rules 4570 and 2010.<sup>18</sup>

**1. FINRA Rule 8210**

Rule 8210 requires persons subject to FINRA's jurisdiction to provide information to FINRA upon request. FINRA Rule 8210(a)(1) provides that for the purpose of an investigation, complaint, examination, or proceeding authorized by the FINRA By-Laws or rules, FINRA staff shall have the right to require any member or person subject to FINRA's jurisdiction to "provide information orally, in writing, or electronically . . . with respect to any matter involved in the investigation, complaint, examination, or proceeding."

Rule 8210(a)(2) authorizes FINRA to "inspect and copy the books, records, and accounts" of persons subject to its jurisdiction "with respect to any matter involved in [an] investigation . . . that is in such . . . person's possession, custody or control." Rule 8210(c) provides that "[n]o member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule."

---

<sup>15</sup> Enforcement represents that it is not aware of any other addresses for Ning. Miller Decl. ¶¶ 15, 23. Enforcement also states that it ran a LEXIS public records search for Ning which identified the same residential address listed in CRD. Miller Decl. ¶ 23.

<sup>16</sup> Ning is notified that he may move to set aside the default pursuant to FINRA Rule 9269(c) upon a showing of good cause.

<sup>17</sup> Compl. ¶¶ 28-36.

<sup>18</sup> Compl. ¶¶ 38-47.

Rule 8210 “is at the heart of the self-regulatory system for the securities industry” and “provides a means, in the absence of subpoena power, for [FINRA] to obtain from its members information necessary to conduct investigations.”<sup>19</sup> “FINRA Rule 8210 is unequivocal and grants FINRA broad authority to obtain information concerning an associated person’s securities-related business ventures.”<sup>20</sup> Associated persons must cooperate fully in providing FINRA with information.<sup>21</sup> It is therefore a violation of Rule 8210 for a person to fail to provide information sought by FINRA.<sup>22</sup>

## 2. FINRA Rule 4570

FINRA Rule 4570(a) provides that “[a] member that files a Form BDW shall designate on the Form BDW, as the custodian of the member’s books and records . . . a person associated with the member at the time that the Form BDW is filed.” Ning was properly designated as Arque Capital’s custodian of records because he was associated with the Firm when it filed its Form BDW on June 16, 2023.<sup>23</sup> Although Ning was not originally identified on Arque Capital’s Form BDW as the Firm’s custodian of records, in March 2024 he amended the Firm’s Form BDW and named himself as the new custodian of records.<sup>24</sup> Pursuant to Rule 4570(b), “[t]he custodian designated on the Form BDW shall preserve the books and records of the member that filed the Form BDW for the remainder of the applicable retention periods under FINRA and Exchange Act rules and make such records available for inspection by FINRA upon request.”

---

<sup>19</sup> *Howard Brett Berger*, Exchange Act Release No. 58950, 2008 SEC LEXIS 3141, at \*13 (Nov. 14, 2008), *petition for review denied*, 347 F. App’x 692 (2d Cir. 2009), *cert. denied*, No. 09-1054, 2010 U.S. LEXIS 3557 (Apr. 26, 2010).

<sup>20</sup> *Dep’t of Enforcement v. Gallagher*, No. 2008011701203, 2012 FINRA Discip. LEXIS 61, at \*12 (NAC Dec. 12, 2012).

<sup>21</sup> *See CMG Inst’l Trading, LLC*, Exchange Act Release No. 59325, 2009 SEC LEXIS 215, at \*21 (Jan. 30, 2009) (Member firms and their associated persons have an obligation to respond to FINRA’s requests for information “fully and promptly.”); *see also Dep’t of Enforcement v. Vedovino*, No. 2015048362402, 2019 FINRA Discip. LEXIS 20, at \*20 (NAC May 15, 2019) (Rule 8210 “requires associated persons to comply fully with FINRA’s requests for information, testimony, and documents with respect to any matter involved in a FINRA investigation, complaint, examination, or proceeding.”); *Dep’t of Enforcement v. Larson*, No. 20140399174202, 2020 FINRA Discip. LEXIS 44, at \*92 (NAC Sept. 21, 2020) (Rule 8210 requires “that firms and persons subject to FINRA’s jurisdiction provide ‘full and prompt cooperation’ in response to any request for information issued by FINRA.”).

<sup>22</sup> *Wilfredo Felix*, Exchange Act Release No. 101733, 2024 SEC LEXIS 3309, at \*7-8 (Nov. 25, 2024) (respondent violated FINRA Rule 8210 by failing to produce his Internal Revenue Service wage and income transcript), *petition for review denied*, No. 24-1038, 2025 U.S. App. LEXIS 24321 (D.C. Cir. Sept. 18, 2025).

<sup>23</sup> Compl. ¶¶ 5-6.

<sup>24</sup> Compl. ¶ 9; Miller Decl. ¶ 11; CX-2.

### 3. Ning Failed to Respond to Two Requests for Documents and Information

On March 20, 2024, FINRA staff sent Arque Capital's then-custodian of records a request for documents and information.<sup>25</sup> The same day, Ning contacted FINRA staff acknowledging the request and stating that he was the Firm's sole point of contact.<sup>26</sup>

On April 8, 2024, after Ning assumed the responsibilities of custodian of records for Arque Capital, Enforcement formally withdrew its March 20, 2024 Rule 8210 request.<sup>27</sup> On November 4, 2024, FINRA staff sent Ning a request for documents and information in his capacity as the designated custodian of records for Arque Capital by certified mail and first-class mail to the address provided for Ning in CRD.<sup>28</sup>

The request asked Ning, as Arque Capital's custodian of records, to provide documents and information concerning recommendations of, and communications about, certain identified securities made to specific customers by two former Arque Capital brokers.<sup>29</sup> The documents and information FINRA requested constituted books and records that the Firm was required to retain under Section 17(a)(1) of the Securities Exchange Act of 1934 and FINRA Rules.<sup>30</sup> The documents and information requested were material to FINRA's investigation because they related to securities recommendations made by former Arque Capital brokers and whether the recommendations were in the customers' best interests.<sup>31</sup>

When Ning did not respond, on December 5, 2024, FINRA sent him another request, identical to the November 4, 2024 request, in his capacity as Arque Capital's custodian of records, pursuant to FINRA Rules 4570 and 8210.<sup>32</sup>

Ning did not respond to the two Rule 8210 and 4570 requests.<sup>33</sup> FINRA's National Adjudicatory Council has made clear that an associated person responsible for providing information and documents in response to a request from FINRA can be held liable under Rule 8210 for failing to do so, even when the request was directed to a member firm.<sup>34</sup> Thus, I find

---

<sup>25</sup> Compl. ¶ 8.

<sup>26</sup> Compl. ¶ 8.

<sup>27</sup> Compl. ¶ 10.

<sup>28</sup> Compl. ¶ 11. Enforcement also sent Ning a courtesy copy via email. Compl. ¶ 12.

<sup>29</sup> Compl. ¶ 13.

<sup>30</sup> Compl. ¶ 14.

<sup>31</sup> Compl. ¶¶ 26, 34.

<sup>32</sup> Compl. ¶¶ 19, 21. Enforcement also sent Ning a courtesy copy of the request via email. Compl. ¶ 20.

<sup>33</sup> Compl. ¶ 25.

<sup>34</sup> See *Dep't of Enforcement v. Harvest Cap. Invs., LLC*, No. 2005001305701, 2008 FINRA Discip. LEXIS 45, at \*39 (NAC Oct. 6, 2008) ("[T]he record shows that Cotto, on behalf of Harvest Capital, failed to respond fully and completely to four of the five written requests."); *Dep't of Enforcement v. Merrimac Corp. Sec., Inc.*, No. 2011027666902, 2017 FINRA Discip. LEXIS 16, at \*15-16 (NAC May 26, 2017) ("The law is clear that Nash, as

that Ning violated FINRA Rules 8210 and 2010, as alleged in cause one, and FINRA Rules 4570(b) and 2010,<sup>35</sup> as alleged in cause two.

### III. Sanctions

Under FINRA's Sanction Guidelines ("Guidelines"), it may be appropriate in certain circumstances to aggregate violations for the purposes of determining sanctions.<sup>36</sup> I find it appropriate to aggregate the violations under both causes of actions here, and to impose a unitary sanction, because both violations arise from Ning's failure to comply with requests for information and documents.

There are no guidelines specifically for violations of FINRA Rule 4570. The Guidelines provide that in such cases the adjudicator should consider the guidelines for an analogous violation to determine sanctions.<sup>37</sup> Because the misconduct involves the failure to respond to requests for information and documents, I find it appropriate to apply the guidelines for violations of FINRA Rule 8210.

The Guidelines recommend that if an individual does not respond in any manner to a request for information made pursuant to FINRA Rule 8210, a bar should be standard.<sup>38</sup> The only principal consideration for a complete failure to respond is the importance of the requested information as viewed from FINRA's perspective.<sup>39</sup>

---

the person at Merrimac to whom the Rule 8210 requests were directed and who oversaw the firm's responses, had responsibility" to ensure the sufficiency of those responses.), *aff'd in relevant part*, Exchange Act Release No. 86404, 2019 SEC LEXIS 1771 (July 17, 2019), *sanctions modified*, No. 201102766902r, 2020 FINRA Discip. LEXIS 28 (NAC Mar. 27, 2020).

<sup>35</sup> A violation of FINRA Rules 4570 or 8210 is also a violation of Rule 2010. *See Stephen J. Gluckman*, Exchange Act Release No. 41628, 1999 SEC LEXIS 1395, at \*22 (July 20, 1999) (It is a "long-standing and judicially-recognized policy that a violation of another Commission or NASD [FINRA's predecessor] rule or regulation . . . constitutes a violation of Conduct Rule 2110 [the predecessor to FINRA Rule 2010].").

<sup>36</sup> FINRA Sanction Guidelines at 4 (2024), <http://www.finra.org/sanctionguidelines> ("The range of monetary sanctions in each case may be applied in the aggregate for similar types of violations rather than per individual violation."); *see also Dep't of Enforcement v. Fox & Co. Invs., Inc.*, No. C3A030017, 2005 NASD Discip. LEXIS 5, at \*37 (NAC Feb. 24, 2005) (when "multiple, related violations arise as a result of a single underlying problem, a single set of sanctions may be more appropriate"), *aff'd*, Exchange Act Release No. 52697, 2005 SEC LEXIS 2822 (Oct. 28, 2005); *Dep't of Enforcement v. Mellon*, No. 2017052760001, 2022 FINRA Discip. LEXIS 11, at \*28-29 (NAC Oct. 18, 2022), *appeal dismissed*, Exchange Act Release No. 97623, 2023 SEC LEXIS 1440 (May 31, 2023) (finding it appropriate to assess a unitary sanction for submitting false expense reports to firm and causing the firm to maintain false books and records).

<sup>37</sup> Guidelines at 1 ("For violations that are not addressed specifically, Adjudicators are encouraged to look to the guidelines for analogous violations.").

<sup>38</sup> Guidelines at 93.

<sup>39</sup> *Id.*

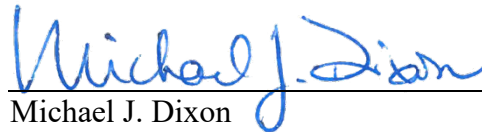
FINRA was investigating potentially serious misconduct by brokers associated with Arque Capital—making recommendations to customers that may not have been in their best interest. I find that the documents and information sought were necessary to assist FINRA’s investigation and that Ning’s failure to provide them prevented FINRA from fulfilling its regulatory mission.

The evidence reveals no justification for Ning’s failure to respond at all to FINRA’s requests. I find that there are no mitigating factors present in this case.<sup>40</sup> Thus, I conclude that the appropriate sanction is a bar in all capacities.<sup>41</sup> The bar is remedial because it will protect the investing public by encouraging the cooperation essential to the investigation of industry misconduct.

#### IV. Order

Enforcement’s Default Motion is **GRANTED**. By failing to comply with FINRA staff’s requests for documents and information, Respondent Michael Cheng Ning violated FINRA Rules 8210 and 2010, as alleged in cause one, and FINRA Rules 4570(b) and 2010, as alleged in cause two. For this misconduct, he is barred from associating with any FINRA member firm in any capacity.

This Decision will become FINRA’s final decision unless it is appealed to the National Adjudicatory Council by a party or it is called for review. The bar shall become effective immediately if this Default Decision becomes the final disciplinary action of FINRA.

  
Michael J. Dixon  
Hearing Officer

Copies to:

Michael Cheng Ning, Respondent (via email, overnight courier, and first-class mail)  
Robert Miller, Esq., FINRA Enforcement (via email)  
John Luburic, Esq., FINRA Enforcement (via email)  
Jennifer L. Crawford, Esq., FINRA Enforcement (via email)

---

<sup>40</sup> Enforcement represents that it is not aware of any mitigating factors relevant to sanctions. Miller Decl. ¶ 32.

<sup>41</sup> In light of the bar, I do not also impose a fine. Guidelines at 9 (Technical Matters) (“Adjudicators generally should not impose a fine if an individual is barred and there is no customer loss.”). The record does not reflect any customer loss.