

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

JEFFREY K. GALVANI
(CRD No. 3048728),

and

STUART A. JEFFERY
(CRD No. 5241790),

Respondents.

Disciplinary Proceeding
No. 2020068865301

Hearing Officer–LOM

DEFAULT DECISION

December 18, 2025

Respondents Jeffrey K. Galvani and Stuart A. Jeffery failed to provide testimony requested pursuant to FINRA Rule 8210, thereby violating FINRA Rules 8210 and 2010. For this misconduct, each Respondent is barred from associating with any FINRA member firm in any capacity.

Appearances

For the Complainant: Nicholas Jablonski, Esq., Christopher Burky, Esq., and Matthew Minerva, Esq., Department of Enforcement, Financial Industry Regulatory Authority

For the Respondents: No appearance

DECISION

I. Introduction

This is a default decision against Respondents Jeffrey K. Galvani (“Galvani”) and Stuart A. Jeffery (“Jeffery”) (collectively, “Respondents”). In 2023, Respondents were both registered with FINRA through their association with Crito Capital LLC (“Crito” or the “Firm”), a FINRA member firm. On September 7, 2023, however, the Firm filed a Uniform Termination Notice for Securities Industry Registration (Form U5) for each Respondent. The Forms U5 explained that the Firm had allowed them to resign because of issues relating to their outside business activities.

FINRA staff had already begun investigating Respondents before the Firm filed Forms U5 terminating them. In that investigation, Respondents provided FINRA staff information and documents related to Respondents' outside business activities. After the Firm filed the two Forms U5, FINRA staff sought on-the-record ("OTR") testimony from both Respondents. Respondents failed to appear for their OTRs. Enforcement then served and filed a disciplinary complaint against Respondents for violating FINRA Rules 8210 and 2010. To date, neither Respondent has filed an Answer to the Complaint.

Accordingly, I ordered Enforcement to file a motion for entry of a default decision supported by a memorandum of law and a declaration. In compliance with that Order, Enforcement filed and served a motion for entry of default decision ("Default Motion"), a memorandum of law ("Mem."), a declaration under penalty of perjury by counsel ("Decl."), and supporting exhibits (CX-1 through CX-27). Respondents did not respond to the Default Motion.

For the reasons set forth below, I find Respondents in default and grant Enforcement's Default Motion.

II. Findings of Fact and Conclusions of Law

A. Respondent's Background

Galvani first registered with FINRA in June 2006.¹ From May 7, 2020, to April 6, 2022, and again from June 3, 2022, to September 7, 2023, he was registered with FINRA as a General Securities Representative, Operations Professional, and Securities Trader through his association with Crito.²

Jeffery first registered with FINRA in November 2006.³ From September 24, 2020, to September 7, 2023, he was registered with FINRA as a General Securities Representative through his association with Crito.⁴

On September 7, 2023, the Firm filed two Forms U5 disclosing that it had permitted Respondents to resign.⁵ Galvani's Form U5 explained that the reason the Firm was permitting him to resign was that he "did not timely file a request for outside business activity."⁶ Jeffery's Form U5 disclosed that he was permitted to resign because of his "[f]ailure to timely disclose an

¹ See Decl. ¶ 5; CX-1, at 12; Complaint ("Compl.") ¶ 2.

² See Decl. ¶ 5; CX-1, at 6–7; Compl. ¶ 2.

³ See Decl. ¶ 6; CX-3, at 17; Compl. ¶ 4.

⁴ See Decl. ¶ 6; CX-3, at 8; Compl. ¶ 4.

⁵ See Decl. ¶¶ 7, 8; CX-2, at 1–2; CX-4 at 1–2; Compl. ¶¶ 3, 5.

⁶ See Decl. ¶ 7; CX-2, at 1–2; Compl. ¶ 3.

Outside Business Activity.”⁷ Neither Respondent is currently registered or associated with a FINRA member firm.⁸

B. FINRA’s Jurisdiction

Although Respondents are no longer registered or associated with a FINRA member firm, FINRA retains jurisdiction over them pursuant to Article V, Section 4(a) of FINRA’s By-Laws. That provision of the By-Laws creates a two-year period after termination that is commonly known as the “period of retained jurisdiction.” During the period of retained jurisdiction a complaint may be filed against an individual for alleged misconduct that occurred while the individual was associated with a FINRA member firm. During that same period of retained jurisdiction, a complaint may also be filed for failing to respond fully and completely to requests made during the period of retained jurisdiction for information, documents, or testimony pursuant to FINRA’s rules. In essence, the period of retained jurisdiction enables FINRA to continue investigating possible misconduct by a person that occurred before termination.

Enforcement filed the Complaint in this case on August 19, 2025, within two years of the effective date of Respondents’ termination. This means that the Complaint was appropriately filed during the period of retained jurisdiction. The Complaint charges Respondents with failing to provide OTR testimony requested pursuant to FINRA Rule 8210 during the period of retained jurisdiction. This means that FINRA also has jurisdiction as to the subject matter of the Complaint.⁹

C. Origin of the Proceeding

FINRA staff began investigating Respondents even before the two Form U5 filings on September 7, 2023.¹⁰ The investigation concerned Respondents’ roles with outside entities that provided services to customers who traded low-priced securities, often known as “penny stocks,” and Respondents’ disclosures to the Firm about those activities.¹¹

Galvani received and responded to three Rule 8210 requests regarding his outside business activities that were dated July 7, 2021, September 7, 2021, and February 15, 2022.¹² The requests asked for, among other things, information and documents concerning Galvani’s bank and brokerage accounts (both personal and those associated with certain outside business

⁷ See Decl. ¶ 8; CX-4, at 1–2; Compl. 5.

⁸ See Decl. ¶¶ 9, 10; CX-1, at 1, 3, 6; CX-3, at 1, 3, 7.

⁹ See Decl. ¶ 12.

¹⁰ See Decl. ¶¶ 37–39.

¹¹ Compl. ¶ 7.

¹² See Decl. ¶ 37.

activities). Galvani responded to each of the requests with narrative answers and supporting documentation, based on the scope of his activities at that time.¹³

Jeffery received and responded to one Rule 8210 request, dated April 29, 2022, regarding his outside business activities.¹⁴ He responded to that request in June 2022 with narrative responses and supporting documentation. He identified his outside business activities and private securities transactions and answered questions based on the scope of those activities at that time.¹⁵

After learning of the two Form U5 filings, FINRA staff sought to understand better Respondents' possible misconduct while associated with the Firm.¹⁶ On May 12, 2025, FINRA sent each Respondent a request pursuant to FINRA Rule 8210 for an OTR.¹⁷ Galvani's testimony was sought for June 3, 2025, and Jeffery's testimony was sought for June 5, 2025.¹⁸

Each OTR request was sent via first-class mail and certified mail, return receipt requested, to the business address of counsel representing both Respondents at the time of the requests.¹⁹ FINRA also sent courtesy copies of the requests to Respondents' counsel via email to an email address that counsel had previously used to communicate with FINRA.²⁰ The first-class mailings were not returned to FINRA.²¹ The receipts from the May 12 OTR requests sent by certified mail indicated that both mailings were delivered on May 15, 2025.²² Each request sent by certified mail was signed for by a recipient whose signature was illegible.²³

Enforcement's efforts to give Respondents notice of the scheduled OTRs were sufficient to comply with FINRA Rule 8210(d). That provision states that notice "shall be deemed received" by a person if it is mailed to counsel for that person or "otherwise" transmitted to counsel.

Enforcement made other efforts to ensure Respondents' attendance at their OTRs. On May 27, 2025, FINRA staff emailed Respondents' counsel regarding his clients' intentions to

¹³ See Decl. ¶ 37.

¹⁴ See Decl. ¶ 38.

¹⁵ See Decl. ¶ 38.

¹⁶ Compl. ¶¶ 3, 5, 7.

¹⁷ Compl. ¶ 8.

¹⁸ Compl. ¶¶ 9, 10.

¹⁹ See CX-19; Compl. ¶¶ 8, 24.

²⁰ See CX-23; CX-24; Compl. ¶ 8.

²¹ Compl. ¶ 11.

²² See CX-21; CX-22; Compl. ¶ 11.

²³ See CX-21; CX-22; Compl. ¶ 11.

appear for testimony.²⁴ Respondents' counsel replied that Respondents were "not available for testimony."²⁵ He further stated that "even if they were available, they are not actively registered with FINRA and don't intend to pursue registration."²⁶ Later the same day, FINRA staff had a telephone conference with Respondents' counsel in which counsel confirmed that Respondents did not intend to appear for their scheduled testimony and would not be requesting alternative dates to testify.²⁷

The following day, on May 28, 2025, FINRA staff sent an email to Respondents' counsel summarizing the May 27 call.²⁸ Respondents' counsel did not reply to that email.²⁹ Neither Respondent requested to postpone the scheduled testimony.³⁰

On June 3, 2025, Galvani failed to appear for his scheduled testimony.³¹ On June 5, 2025, Jeffery failed to appear for his scheduled testimony.³² The record demonstrates that Respondents received due notice but intentionally failed to comply with their obligation under FINRA Rule 8210 to give OTR testimony.

D. Respondents' Default

As discussed below, Respondents were properly served with the Complaint and Notice of Complaint in compliance with the applicable rules. But neither of them filed an Answer or otherwise responded to the Complaint.

1. Service of Complaint and First Notice of Complaint

On August 19, 2025, Enforcement filed the Complaint and Notice of Complaint (Complaint and "First Notice") with the Office of Hearing Officers.³³ That same day Enforcement served Respondents with the Complaint and First Notice by sending the documents via U.S. Postal Service first-class certified mail (return receipt requested) to each Respondent's address as shown in the Central Registration Depository ("CRD Address").³⁴ Sending the

²⁴ Compl. ¶ 12.

²⁵ Compl. ¶ 12.

²⁶ Compl. ¶ 12.

²⁷ Compl. ¶ 13.

²⁸ Compl. ¶ 14.

²⁹ Compl. ¶ 14.

³⁰ Compl. ¶ 15.

³¹ Compl. ¶¶ 1, 16.

³² Compl. ¶¶ 1, 17.

³³ CX-10, at 15.

³⁴ See Decl. ¶ 18; CX-7; CX-8; CX-9. Enforcement also sent the Complaint and First Notice to Respondents at their CRD Addresses via U.S. Postal Service first-class mail and sent courtesy copies of the documents to email addresses

documents via first-class certified mail complied with FINRA Rule 9134(a)(2) as to the method of service required for a Complaint, and sending the documents to each Respondent's CRD Address complied with FINRA Rule 9134(b) as to the appropriate place to direct service.

The SEC has long emphasized the importance of updating one's CRD Address. It has noted that service is deemed complete upon mailing to a respondent's CRD Address unless FINRA has actual notice that the CRD Address is inaccurate.³⁵ Under FINRA Rules 9131(b), 9134(a)(2), and 9134(b)(1), service of a complaint by certified mail at a respondent's CRD Address is sufficient to give effective notice, except where the staff has actual knowledge that the respondent's CRD Address is out of date. In this case, Enforcement has no actual knowledge that either Respondent's CRD Address was or is out of date.³⁶

Indeed, the record demonstrates that Respondents likely received actual notice. The certified mail copy of the Complaint and First Notice sent to Galvani was marked as "Delivered, Front Desk/Reception/Mail Room" and signed for on August 21, 2025.³⁷ The certified mail copy of the Complaint and First Notice sent to Jeffery was marked as "Delivered, Left with Individual" and signed for on August 22, 2025.³⁸ The regular first-class U.S. Postal Service mailings of the documents were not returned.³⁹ The copies sent by email to Respondents and their counsel were not returned as "undeliverable."⁴⁰

The First Notice required Respondents to file an Answer by September 16, 2025.⁴¹ Respondents did not file an Answer or otherwise respond to the Complaint.⁴²

2. Service of Complaint and Second Notice

On September 18, 2025, Enforcement served each Respondent with the Complaint and a Second Notice of Complaint ("Second Notice") by sending the documents via U.S. Postal Service first-class certified mail (return receipt requested) to each Respondent at his CRD

for Galvani and Jeffery, and to their counsel's business email address. Decl. at ¶¶ 18, 19; CX-7; CX-8; CX-9; CX-10, at 14.

³⁵ *Christopher Robert Arnold*, Exchange Act Release No. 103027, 2025 SEC LEXIS 1349, at *10–11 and nn.9–11 (May 13, 2025) (respondent had a duty to update his CRD address and bar would not be lifted where Rule 8210 requests, notice of proposed suspension for failure to comply with Rule 8210 requests, and notice of automatic bar were all sent to respondent's CRD address).

³⁶ Decl. ¶¶ 14, 16.

³⁷ Decl. ¶ 21; CX-11.

³⁸ Decl. ¶ 22; CX-12.

³⁹ Decl. ¶ 23.

⁴⁰ Decl. ¶ 23.

⁴¹ Decl. ¶ 24; CX-7, at 2.

⁴² Decl. ¶ 25.

Address.⁴³ As with the service of the Complaint and First Notice, this was sufficient under FINRA Rules 9131(b), 9134(a)(2), and 9134(b)(1) to give effective notice.

Again, there is reason to believe that Respondents received actual notice. The certified mail copy of the Complaint and Second Notice sent to Galvani was marked as “Delivered, Front Desk/Reception/Mail Room” and signed for on September 22, 2025.⁴⁴ Although the certified mail copy of the Complaint and Second Notice sent to Jeffery was marked as “Unclaimed/Being Returned to Sender” as of October 16, 2025,⁴⁵ the regular first-class U.S. Postal Service mailings of the Complaint and Second Notice to both Galvani and Jeffery were not returned.⁴⁶ The emails sent to the email addresses of Respondents and their counsel also were not returned or rejected.⁴⁷

The Second Notice required Respondents to file an Answer by October 6, 2025.⁴⁸ The Second Notice also advised Respondents that, in accordance with FINRA Rule 9215 of FINRA’s Code of Procedure, if they failed to file an Answer by that due date, then the Hearing Officer would have discretion to treat the allegations in the Complaint as admitted and to enter a default decision against them pursuant to FINRA Rule 9269.⁴⁹ Neither Galvani nor Jeffery filed an Answer or otherwise responded to the Complaint by the due date.⁵⁰ To date, the Office of Hearing Officers has received no Answer.

3. Respondents Failed to File an Answer

I find that service of the Complaint and the First and Second Notices complied with FINRA Rules 9131(b), 9134(a)(2), and 9134(b)(1). I further find that Respondents did not file an Answer or otherwise respond to the Complaint. Accordingly, as authorized by FINRA Rules 9215(f) and 9269, I find that Respondents have defaulted, and I deem the factual allegations in the Complaint true.⁵¹

⁴³ Decl. ¶ 26; CX-13; CX-14; CX-15. In addition, Enforcement sent the Complaint and Second Notice to Respondents at their CRD Addresses via U.S. Postal Service first-class mail and sent courtesy copies of the documents to email addresses for Galvani and Jeffery, and to their counsel’s business email address. Decl. ¶ 27; CX-13; CX-16.

⁴⁴ Decl. ¶ 29; CX-17.

⁴⁵ Decl. ¶ 30; CX-18.

⁴⁶ Decl. ¶ 31.

⁴⁷ Decl. ¶ 31.

⁴⁸ Decl. ¶ 32; CX-13.

⁴⁹ Decl. ¶ 32; CX-13.

⁵⁰ Decl. ¶ 33.

⁵¹ Respondents are notified that they may move to set aside the default pursuant to FINRA Rule 9269(c) upon a showing of good cause.

E. Respondents Violated FINRA Rules 8010 and 2010

Rule 8210(a)(1) provides that FINRA staff have the right to require a person subject to FINRA’s jurisdiction to testify at a location specified by the staff with respect to any matter involved in an investigation. Rule 8210(c) specifies that no person “shall fail to provide . . . testimony . . . pursuant to this Rule.” “FINRA Rule 8210 is indispensable to FINRA’s ability to fulfill its regulatory functions. Because FINRA does not have subpoena power, it ‘must rely on Rule 8210 to obtain information . . . necessary to carry out its investigations and fulfill its regulatory mandate.’”⁵²

As discussed above, FINRA staff sought Respondents’ OTR testimony while they were subject to retained jurisdiction. The OTR requests were served in compliance with FINRA Rule 8210(d) by first-class mail and certified mail upon Respondents’ counsel’s business address, and FINRA staff discussed the upcoming OTRs with Respondents’ counsel by telephone and in email correspondence. Nevertheless, each Respondent failed to appear to give testimony at his OTR. And, through counsel, Respondents declined to postpone and appear for testimony at some other time. Instead, through counsel, they expressed their refusal ever to give testimony in an OTR.

By failing to appear for OTR testimony, Respondents violated FINRA Rule 8210, and by violating Rule 8210, Respondents also violated Rule 2010.⁵³ Rule 8210(c) clearly requires compliance, and both the Securities and Exchange Commission and FINRA have repeatedly declared that the requirement to appear for testimony when it is requested pursuant to Rule 8210 is “unequivocal.”⁵⁴

III. Sanctions

FINRA’s Sanction Guidelines (“Guidelines”) serve as the benchmark for determining the appropriate sanctions for a FINRA Rule violation.⁵⁵ For a violation of FINRA Rule 8210, the Guidelines distinguish between a person’s complete failure to provide information and documents and a partial failure. For a respondent who does not respond in any manner to a Rule 8210 request, a bar is standard.⁵⁶ But where a person has made a substantial but partial response,

⁵² *Dep’t of Enforcement v. Capellini*, No. 2020066627202, 2024 FINRA Discip. LEXIS 19, *49–50 (NAC Oct. 3, 2024) (collecting cases), *appeal docketed*, No. 3-22284 (Oct. 30, 2024).

⁵³ *E.g., Wilfredo Felix*, Exchange Act Release No. 101733, 2024 SEC LEXIS 3309, at *7–8 & n.13 (Nov. 25, 2024), *petition for review denied*, No. 24-1308, 2025 U.S. App. LEXIS 24321 (D.C. Cir. Sept. 18, 2025).

⁵⁴ *E.g., Bradley C. Reifler*, Exchange Act Release No. 94026, 2022 SEC LEXIS 167, at *13 (Jan. 21, 2022), *sanctions reaffirmed*, No. 2016050924601r, 2023 FINRA Discip. LEXIS 1 (NAC Jan. 17, 2023); *Capellini*, 2024 FINRA Discip. LEXIS 19, at *49–50.

⁵⁵ Guidelines at 1 (2024), <https://www.finra.org/sanctionguidelines>.

⁵⁶ Guidelines at 93.

and where mitigating circumstances exist, a suspension could be appropriate.⁵⁷ In this case, we treat Respondents' failure to appear at their OTRs to give testimony as a partial failure to comply with Rule 8210, because Respondents did provide information and documents to FINRA staff in connection with earlier Rule 8210 requests in the same investigation.

In connection with a partial response to Rule 8210 requests, several factors bear on the appropriate sanction. In this case, the relevant factors do not justify the less stringent sanction of a suspension.

First, the Guidelines indicate that an adjudicator should consider whether the respondent has demonstrated substantial compliance with all aspects of the Rule 8210 requests.⁵⁸ Enforcement maintains that Respondents' prior Rule 8210 responses do not constitute substantial compliance because FINRA staff did not have the opportunity to explore the reasons the Firm terminated them in September 2023.⁵⁹ I agree. Enforcement should have had the opportunity to explore the relationship between the activities under investigation and the reasons the Firm terminated Respondents.

Second, an adjudicator should consider the importance of the information requested but not provided from FINRA's perspective.⁶⁰ Enforcement maintains that the lack of testimony significantly affected its investigation into the Firm's supervision of Respondents because Enforcement was unable to explore the completeness and accuracy of Respondents' earlier Rule 8210 responses.⁶¹ Enforcement also was unable to ask questions about transactions relating to Respondents' outside business activities that occurred after Respondents' previous Rule 8210 responses.⁶² I agree that Enforcement was deprived of important information by Respondents' refusal to provide OTR testimony.

Third, an adjudicator should consider the reasons offered by a respondent to justify the partial but incomplete response.⁶³ Enforcement asserts that the reasons Respondents gave for not testifying at their OTRs do not justify their failure to give OTR testimony.⁶⁴ I agree. Respondents declared that they are not currently registered and do not intend to become registered again.⁶⁵ But these are not valid excuses. As discussed above, Respondents' testimony was sought while they were still subject to FINRA's retained jurisdiction. Current registration is

⁵⁷ Guidelines at 93.

⁵⁸ Guidelines at 93.

⁵⁹ Mem. 15; Decl. ¶¶ 37–39, 41.

⁶⁰ Guidelines at 93.

⁶¹ Mem. 15; Decl. ¶¶ 37–39, 41.

⁶² Mem. 15; Decl. ¶¶ 37–39, 41.

⁶³ Guidelines at 93.

⁶⁴ Mem. 15; Decl. ¶¶ 37–39, 41.

⁶⁵ Mem. 15; Decl. ¶¶ 37–39, 41.

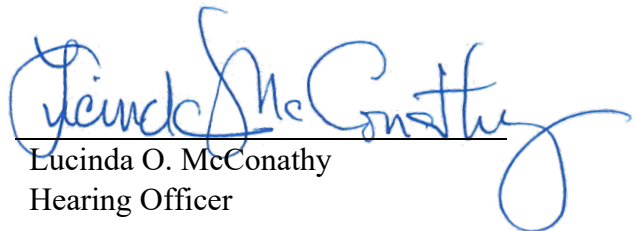
not required. And future plans—which are subject to change—cannot prevent FINRA from ascertaining whether past violations have occurred and, if so, what sanctions might be appropriate.

Fourth, an adjudicator should consider whether there are any mitigating factors.⁶⁶ In this case I am unaware of any mitigating factors.

Accordingly, I conclude that Respondents violated a FINRA rule that is critical to FINRA's regulatory function, and that they did so with little regard for their clear duty to provide the requested OTR testimony. They have demonstrated that they cannot be relied upon to comply with their regulatory obligations in the future. I conclude that both Respondents should be barred from association with any FINRA member firm in all capacities.

IV. Order

Respondents Jeffrey K. Galvani and Stuart A. Jeffery violated FINRA Rules 8210 and 2010 by failing to appear to give on-the-record testimony. For this misconduct, each is barred from association with any FINRA member firm in all capacities. Each bar shall become effective immediately if this Default Decision becomes the final disciplinary action of FINRA.



Lucinda O. McConathy
Hearing Officer

Copies to:

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⁶⁶ Guidelines at 93.