

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

SHADI T. BARAKAT
(CRD No. 5031281),

Respondent.

Disciplinary Proceeding
No. 2018056490315

Hearing Officer—BDC

**HEARING
PANEL DECISION**

April 13, 2026

Respondent is barred from associating with any FINRA member firm in any capacity for failing to appear for on-the-record testimony requested in connection with a FINRA investigation, in violation of FINRA Rules 8210 and 2010.

Appearances

For the Complainant: Mark Fernandez, Esq., Alyssa Braver, Esq., and Adam Balin, Esq.,
Department of Enforcement, Financial Industry Regulatory Authority

For the Respondent: Shadi T. Barakat, *pro se*

DECISION

I. Introduction

The Department of Enforcement filed a Complaint against Respondent Shadi T. Barakat alleging that he violated FINRA Rules 8210 and 2010 by failing to appear for on-the-record (“OTR”) testimony. FINRA sought Barakat’s testimony in connection with an investigation into whether Barakat engaged in churning and excessive trading in his customers’ accounts.

The Office of Hearing Officers conducted a hearing before a FINRA disciplinary Hearing Panel on February 10, 2026. Enforcement presented its case¹ but, after participating in this proceeding through the Final Pre-Hearing Conference, Barakat did not appear at the hearing. Based on the evidence Enforcement presented, the Hearing Panel finds that Barakat failed to appear for OTR testimony as requested by FINRA, in violation of FINRA Rules 8210 and 2010.

¹ Enforcement called one witness—the Enforcement counsel who issued the OTR testimony requests to Barakat and spoke to him about the requests. All citations to the hearing transcript are to Enforcement counsel’s testimony.

For the misconduct, the Hearing Panel bars Barakat from associating in any capacity with a FINRA member firm.

II. Procedural Background

Enforcement filed a one-count Complaint on September 9, 2024, alleging that on two occasions Barakat failed to appear for OTR testimony that FINRA requested pursuant to Rule 8210. Barakat failed to file his Answer by the deadlines set forth in the First and Second Notices of Complaint. After Enforcement filed a motion for entry of a default decision (“Default Motion”), Barakat informed the Office of Hearing Officers that he wished to participate in the proceeding. The Hearing Officer then issued an order on December 11, 2024, deferring ruling on Enforcement’s Default Motion and directing Barakat to file a motion for leave to file a late answer, along with his answer.² On December 26, 2024, the Hearing Officer granted Barakat’s motion for an extension of time to seek leave to file a late answer to the Complaint and directed him to file his Answer by January 10, 2025.³

On January 10, 2025, Barakat sent an email to the Office of Hearing Officers, which the Hearing Officer accepted as his Answer.⁴ Barakat generally denied the allegations in the Complaint, including allegations related to whether he had been served with FINRA’s Rule 8210 OTR testimony requests, and formally requested a hearing. But he did not specifically respond to each numbered paragraph in the Complaint, as required by FINRA Rule 9215. Thus, the Hearing Officer required Barakat to respond orally to each allegation in the Complaint at the January 29, 2025 Initial Pre-Hearing Conference.

During the Initial Pre-Hearing Conference, Barakat denied the allegations that he had been mailed the May 13, 2024 and June 24, 2024 letters requesting his testimony.⁵ He also denied the allegation that on May 2, 2024, he told Enforcement counsel that “the address listed for him in the Central Registration Depository [(“CRD”)] remained his residential address and was properly listed as his address in CRD.”⁶ Barakat also inquired about having the hearing by

² Dec. 11, 2024, Order Establishing Deadline for Respondent to File Motion for Leave to File Late Answer and Deferring Ruling on Enforcement’s Motion for Entry of a Default Decision. The deadline for filing the motion to file a late answer originally was December 27, 2024.

³ Dec. 26, 2024, Order Granting Respondent’s Motion for Extension of Time to Seek Leave to File Late Answer.

⁴ See Barakat’s Answer. Although the email did not comply fully with FINRA Rule 9215 because it did not specifically respond to each allegation in the Complaint, the Hearing Officer accepted the email as Barakat’s Answer. Thus, the Hearing Officer denied Enforcement’s motion to strike the Answer and motion for entry of a default decision. Jan. 17, 2025, Order Denying Enforcement’s Motion to Strike Respondent’s Answer and Denying Enforcement’s Motion for Entry of a Default Decision.

⁵ Jan. 29, 2025, Initial Pre-Hearing (“IPHC”) Transcript (“Tr.”) 22, 25.

⁶ IPHC Tr. 19; Answer, at 1 (“[On May 2,] she explained to me that they are looking for me to do an [OTR] so I provided my current Florida address. I never represented the New Jersey address was still a current mailing address that was false[.]”).

videoconference.⁷ The Hearing Officer advised Barakat that FINRA disciplinary hearings occur in person.⁸ But, as an accommodation to Barakat, the parties and the Hearing Officer agreed to conduct the hearing in Florida, where Barakat resided at the time, instead of New York, as originally proposed by Enforcement.⁹

The hearing was initially scheduled for August 26, 2025,¹⁰ but the Hearing Officer twice rescheduled the hearing to a later date at Barakat's request. In an August 4, 2025 order, the Hearing Officer rescheduled the hearing to September 18, 2025.¹¹ Then, in a September 3, 2025 order, the Hearing Officer rescheduled the hearing to February 10, 2026.¹² On January 26, 2026, the Hearing Officer issued the Notice of Hearing and Final Pre-Hearing Conference that, among other things, explained that the hearing would be conducted on February 10, 2026, beginning at 9:00 a.m. (Eastern Time) in FINRA's District Office in Boca Raton, Florida, and provided the address.¹³

At the February 3, 2026 Final Pre-Hearing Conference, Barakat stated, for the first time, that he would not appear in person at the hearing and that he intended to participate by videoconference.¹⁴ The Hearing Officer informed Barakat that he needed to file a motion to participate in the hearing by videoconference.¹⁵ Barakat refused to file a written motion,¹⁶ so the Hearing Officer treated Barakat's request as an oral motion under FINRA Rule 9261(b) to

⁷ IPHC Tr. 34–35.

⁸ IPHC Tr. 35.

⁹ IPHC Tr. 53–56. Enforcement proposed New York Region – District No. 10 as the Primary Regional Committee for this proceeding based on the location of Respondent's office at the time of the alleged misconduct. *See* Notice of Complaint, at 3 (Sept. 9, 2024). Accordingly, Enforcement proposed that the hearing occur in New York City. Notice of Complaint, at 3–4 (Sept. 9, 2024).

¹⁰ *See* Feb. 6, 2025, Case Management and Scheduling Order.

¹¹ Aug. 4, 2025, Order Granting Respondent's Motion for Continuance of the Pre-Hearing Schedule and Hearing Date.

¹² Sept. 3, 2025, Order Granting Respondent's Renewed Motion for a Continuance of the Pre-Hearing Schedule and Hearing Date. In the Sept. 3, 2025, Order, the Hearing Officer also scheduled a case management conference for January 12, 2026, to discuss, among other things, the pre-hearing schedule and remaining deadlines. The Hearing Officer attempted to conduct the case management conference on January 12 and again on January 20, 2026, but Barakat failed to appear at either conference notwithstanding that the Office of Hearing Officers provided him with notice of both. *See* Jan. 5, 2026, Notice of Case Management Conference; Jan. 12, 2026 Order Rescheduling Case Management Conference. Barakat appeared for a case management conference on January 21, and the Hearing Officer reminded the parties at that conference that the hearing would take place on February 10 in Boca Raton, Florida. Jan. 21, 2026, Case Management Conference Tr. 6–7.

¹³ Jan. 26, 2026, Notice of Hearing and Final Pre-Hearing Conference.

¹⁴ Feb. 3, 2026, Final Pre-Hearing Conference (“FPHC”) Tr. 8.

¹⁵ FPHC Tr. 8.

¹⁶ FPHC Tr. 9.

conduct the hearing, in part, by videoconference, which Enforcement opposed.¹⁷ Barakat provided no evidence that attending the hearing in person would endanger the health or safety of the participants or would be impracticable, as required under Rule 9261(b). Thus, the Deputy Chief Hearing Officer issued an order on February 4, 2026, denying Barakat’s oral motion to conduct the hearing, in part, by videoconference and explaining that the hearing would proceed in person on February 10 in Boca Raton, Florida.¹⁸ Barakat did not appear at the hearing on February 10.

III. Findings of Fact

A. Barakat’s Background and FINRA’s Jurisdiction

Barakat first registered with FINRA through his association with a member firm in April 2006.¹⁹ Between April 2006 and October 2022, Barakat was registered as a General Securities Representative through several member firms.²⁰ Most recently, Barakat was registered through his association with Spartan Capital Securities, LLC (“Spartan”) from May 2017 to October 2022 and with another FINRA member firm from October 20 to 24, 2022.²¹ Barakat has not been registered with FINRA since October 24, 2022.²²

Although Barakat is not currently associated with a FINRA member firm, 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 in September 2024, within two years of the effective date of the Form U5 that terminated Barakat’s last association with a member firm, and (2) the Complaint charges Barakat with failing to appear for OTR testimony requested by FINRA pursuant to Rule 8210, within two years of the termination of his registration.

B. Origin of the Investigation

FINRA commenced an investigation of Barakat after FINRA identified possible churning and excessive trading by Barakat in at least five of his customers’ accounts during a FINRA

¹⁷ FINRA Rule 9261(b) provides that, “[u]pon a determination that proceeding in person may endanger the health or safety of the participants or would be impracticable, or upon consideration of a joint motion of the [p]arties for good cause shown,” the Chief Hearing Officer or Deputy Chief Hearing Officer may, “in the exercise of reasonable discretion, order the hearing to be conducted, in whole or in part,” by videoconference.

¹⁸ Feb. 4, 2026, Order Denying Respondent’s Motion to Conduct the Hearing in Part by Videoconference.

¹⁹ Complainant’s Exhibit (“CX-”) 2, at 7.

²⁰ CX-2, at 3.

²¹ CX-2, at 3.

²² CX-2, at 3.

examination of Spartan.²³ As part of its investigation, FINRA requested that Barakat provide testimony via videoconference pursuant to Rule 8210.²⁴

C. Enforcement Requests that Barakat Provide OTR Testimony

1. First OTR Testimony Request

On April 16, 2024, Enforcement counsel sent Barakat a letter pursuant to Rule 8210 requesting that he appear by videoconference for OTR testimony on May 14, 2024 (“First Testimony Request”).²⁵ Enforcement counsel sent the First Testimony Request via United States Postal Service (“USPS”) certified mail, return receipt requested, and first-class mail to Barakat’s residential address of record in CRD, which was an address in New Jersey (“CRD Address”).²⁶ The USPS tracking information shows that the certified mailing was unclaimed and returned to sender.²⁷

Using telephone contact information obtained through a Lexis search, Enforcement counsel contacted Barakat by telephone on April 29, 2024, to determine whether he had received the First Testimony Request and whether he intended to appear on May 14.²⁸ Barakat stated during the call that he did not receive the request and that he planned to retain counsel who would contact Enforcement.²⁹ In response to Barakat’s questions about the purpose of the OTR testimony, Enforcement counsel told him that it was in connection with his time at Spartan and, “as he kept insisting” for more information, Enforcement counsel further explained “it’s about trading activity in customer accounts there.”³⁰

During the initial call with Barakat, Enforcement counsel asked Barakat about an address in Florida, which Lexis indicated was a current address for Barakat as of February 2024 (“Florida Address”).³¹ A potentially more current address was significant to the investigation because, as Enforcement counsel testified, Enforcement would be obligated to use the more current address when sending Barakat requests for information and testimony under Rule 8210.³² When asked whether the Florida Address was “the more appropriate residential address for him,

²³ Transcript of Feb. 10, 2026, Hearing (“Hr’g Tr.”) 18.

²⁴ Hr’g Tr. 20–22.

²⁵ CX-6, at 1–2; Hr’g Tr. 23–29.

²⁶ CX-6, at 1–2; CX-2, at 2; Hr’g Tr. 23–29.

²⁷ CX-6, at 17; Hr’g Tr. 29–30.

²⁸ Hr’g Tr. 33; CX-11, at 3; *see also* CX-3, at 1 (Lexis report).

²⁹ CX-11, at 3; Hr’g Tr. 33, 41.

³⁰ Hr’g Tr. 38–39.

³¹ CX-11, at 3; Hr’g Tr. 33, 37–38. Enforcement counsel testified that she had conducted the Lexis search and was not aware of the Florida Address at the time she sent the First Testimony Request. Hr’g Tr. 37.

³² Hr’g Tr. 37.

and whether the CRD Address continued to be accurate,” Barakat reportedly told Enforcement counsel “that he was only temporarily in Miami, but that [Enforcement] should continue to use the New Jersey address as his CRD address.”³³ Although he confirmed he was temporarily in Florida, he would not confirm whether he was residing at the Florida Address.³⁴

Enforcement counsel spoke again with Barakat on May 1, 2024.³⁵ During the call, Barakat informed Enforcement counsel that he was not available for the OTR testimony on May 14 and that an attorney would be contacting Enforcement on Barakat’s behalf.³⁶ On May 2, Enforcement counsel received a call from an attorney who said he was not representing Barakat but had been asked by Barakat to reach out to Enforcement counsel.³⁷ Because the attorney did not represent Barakat, Enforcement counsel did not discuss any details about FINRA’s investigation but confirmed that FINRA was attempting to schedule Barakat’s OTR testimony for May 14, 2024.³⁸ Enforcement counsel confirmed during the call “that Barakat’s choices were to appear at the OTR” or “not appear at the OTR and face an 8210 violation for his failure to appear.”³⁹ She also told the attorney that Barakat could resolve the matter through a Letter of Acceptance, Waiver and Consent (“AWC”) for failure to cooperate.⁴⁰

Later on May 2, 2024, Enforcement counsel spoke to Barakat, who confirmed that the attorney who contacted FINRA on his behalf did not represent him.⁴¹ Barakat again “confirmed that his CRD address correctly list[ed] the [New Jersey] address and he spent time in [Florida] only on a part-time basis.”⁴² Enforcement counsel explained to him that since he was in Florida at that time, Enforcement could conduct the OTR testimony by videoconference.⁴³ Enforcement

³³ Hr’g Tr. 38; *see also* CX-11, at 3 (“His CRD address is still the [New Jersey] address to which I sent the 8210 request.”).

³⁴ Hr’g Tr. 47–48; *see also* CX-11, at 3 (“He wouldn’t confirm the new address (we have it from the Lexis report).”).

³⁵ *See* CX-11, at 1.

³⁶ CX-11, at 1; Hr’g Tr. 42–43.

³⁷ CX-11, at 1; Hr’g Tr. 43–44.

³⁸ CX-11, at 1; Hr’g Tr. 43–44.

³⁹ CX-11, at 1; *see also* Hr’g Tr. 44 (“I explained that he could appear for an OTR. Um, be compliant with 8210, make his appearance, answer our questions. He could choose not to appear for the on-the-record interview and enter into a settlement with us, agreeing to a bar from not appearing, and then he would be freed from his obligation of appearing for an OTR. Or, if he did not show up at all, that he could potentially be facing a bar and formal action to a formal complaint.”).

⁴⁰ CX-11, at 1; Hr’g Tr. 44.

⁴¹ CX-11, at 1; Hr’g Tr. 46.

⁴² CX-11, at 1; *see also* Hr’g Tr. 46–47 (Barakat confirmed CRD Address).

⁴³ CX-11, at 1; *see also* Hr’g Tr. 46 (“And while he’s located in Florida, if we could set up his Zoom OTR to be done remotely, as we had the first one.”).

counsel testified that during the May 2 call or a subsequent call Barakat confirmed he was residing at the Florida Address.⁴⁴

On May 10, Enforcement counsel and Barakat spoke again, after Enforcement counsel left voicemails for him on May 7 and May 9.⁴⁵ Enforcement counsel contacted Barakat because she “wanted to make sure that [Barakat] was aware that the OTR was still on the schedule and [Enforcement] expected him to appear.”⁴⁶ Barakat stated he needed more time to decide whether to retain counsel and appear for OTR testimony, but stated he would not be able to appear on May 14.⁴⁷ Barakat and Enforcement counsel “spent a good portion of time trying to find a date to reschedule [the OTR],”⁴⁸ and eventually “locked in”⁴⁹ June 18, 2024, as the rescheduled date for the OTR testimony. Although they agreed to a date, Barakat still was unsure whether he would appear and, if he did appear, whether he would have counsel.⁵⁰

2. Second OTR Testimony Request

Because Enforcement counsel and Barakat had agreed on a new date for OTR testimony, on May 13, 2024, Enforcement counsel sent Barakat a letter under Rule 8210 requesting that he appear for OTR testimony by videoconference on June 18, 2024 (“Second Testimony Request”).⁵¹ By this point, Barakat had confirmed that he was residing at the Florida Address.⁵² Accordingly, Enforcement counsel sent the Second Testimony Request via USPS certified mail, return receipt requested, and first-class mail to both the CRD Address and Florida Address.⁵³ USPS tracking information indicates that the certified mailings to the CRD Address and Florida Address were delivered on May 16, 2024.⁵⁴ Enforcement counsel testified that neither of the first-class mailings were returned to FINRA.⁵⁵ In supplemental information enclosed with the letter, Enforcement warned Barakat:

⁴⁴ Hr’g Tr. 47–48; *see also* Hr’g Tr. 56 (Barakat had confirmed Florida Address by time Second Testimony Request was mailed). In one of their earlier conversations, Enforcement counsel also asked Barakat for an email address, but he refused to provide it. Hr’g Tr. 48, 73.

⁴⁵ CX-11, at 1; Hr’g Tr. 50.

⁴⁶ Hr’g Tr. 50; *see* CX-12, at 2–3.

⁴⁷ CX-12, at 2–3; Hr’g Tr. 52.

⁴⁸ Hr’g Tr. 52–53.

⁴⁹ CX-12, at 3.

⁵⁰ Hr’g Tr. 53.

⁵¹ CX-7, at 1; Hr’g Tr. 55–58.

⁵² Hr’g Tr. 56.

⁵³ Hr’g Tr. 56–57; CX-7, at 1.

⁵⁴ CX-7, at 17–20; *see also* Hr’g Tr. 57–58 (discussing USPS tracking information).

⁵⁵ Hr’g Tr. 58.

Failure to appear on the date scheduled for your testimony, failure to answer any questions truthfully, accurately and completely, or failure to provide any information requested by the staff, could violate Rule 8210 and could be the basis for the initiation of a disciplinary proceeding and could lead to disciplinary action and the imposition of sanctions, including a bar from associating with any FINRA member in all capacities, suspension, censure and/or fine.⁵⁶

Enforcement counsel subsequently spoke with Barakat on May 22 and June 10, 2024.⁵⁷ According to Enforcement counsel, during the May 22 call Barakat confirmed that he had not retained counsel and confirmed the June 18, 2024 date for his OTR testimony.⁵⁸ Although the record does not reflect that Barakat affirmatively acknowledged receiving the Second Testimony Request, Enforcement counsel testified that Barakat never stated he had *not* received the request mailed to the Florida Address during their calls.⁵⁹ During the June 10 call, according to Enforcement counsel’s contemporaneous notes, Barakat “wanted to know whether [Enforcement would] be providing him with any documents or other information about what the content of the OTR would be” and “[c]laimed that he’s thinking of not appearing because [Enforcement is not] telling him anything.”⁶⁰

Barakat did not appear for the OTR testimony on June 18, 2024.⁶¹ Enforcement counsel testified that during the June 10 call Barakat did not ask that the June 18 OTR testimony be continued or moved to another date.⁶² He also did not contact Enforcement counsel before the OTR testimony to say he would not appear.⁶³

3. Third OTR Testimony Request

Because he did not appear for the June 18, 2024, OTR testimony, on June 24, 2024, Enforcement counsel sent Barakat a letter under Rule 8210 requesting that he appear for OTR testimony by videoconference on July 11, 2024 (“Third Testimony Request”).⁶⁴ That letter noted that Barakat had failed to appear on June 18, 2024, and “to date ha[d] not contacted FINRA staff

⁵⁶ CX-7, at 3.

⁵⁷ CX-12.

⁵⁸ CX-12, at 1; Hr’g Tr. 59–60.

⁵⁹ Hr’g Tr. 67, 72–73.

⁶⁰ CX-12, at 1; *see also* Hr’g Tr. 61 (“He also still did not commit completely to whether or not he would be appearing at the June 18th OTR.”).

⁶¹ Hr’g Tr. 62.

⁶² Hr’g Tr. 62.

⁶³ Hr’g Tr. 62.

⁶⁴ CX-8, at 1; Hr’g Tr. 63–65.

regarding [his] testimony” and explained that as a result Barakat was “in violation of FINRA Rule 8210.”⁶⁵ The letter further explained:

If you fail to appear on the date scheduled for your testimony and do not obtain an agreement to reschedule your testimony, FINRA may commence against you an expedited or formal disciplinary proceeding that could lead to sanctions, including a bar from associating with any FINRA member in all capacities, suspension, censure and/or fine.⁶⁶

Again, Enforcement counsel sent the Third Testimony Request via USPS certified mail, return receipt requested, and first-class mail to both the CRD Address and Florida Address.⁶⁷ USPS tracking information indicates that the certified mailings to the CRD Address and Florida Address were delivered on June 28, 2024 and July 6, 2024, respectively.⁶⁸ Enforcement counsel testified that neither of the first-class mailings were returned to FINRA.⁶⁹ Barakat did not appear for OTR testimony on July 11, 2024.⁷⁰

IV. Discussion

A. Governing Law

FINRA Rule 8210(a)(1) requires all persons within FINRA’s jurisdiction, when asked by FINRA investigative staff, “to testify at a location specified by FINRA staff, under oath . . . with respect to any matter involved in the investigation.” 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.” A person who was formerly associated with a FINRA member firm is “obligated to respond to Rule 8210 requests made within two years of the effective date of the termination of their registration with a member firm.”⁷¹

⁶⁵ CX-8, at 1.

⁶⁶ CX-8, at 1.

⁶⁷ CX-8, at 1; Hr’g Tr. 63–65.

⁶⁸ CX-8, at 19–22; Hr’g Tr. 65–66.

⁶⁹ Hr’g Tr. 67.

⁷⁰ Hr’g Tr. 67.

⁷¹ *Bradley C. Reifler*, Exchange Act Release No. 94026, 2022 SEC LEXIS 167, at *14 (Jan. 21, 2022) (citing, *inter alia*, FINRA By-Laws, Article V, Section 4(a) (providing that a “person whose association with a member has been terminated and is no longer associated with any member . . . shall continue to be subject to the filing of a complaint” for two years after the effective date of the termination of registration for a failure to provide information requested by FINRA during that two-year period)).

Constructive notice of the request, not actual notice of it, “is all that FINRA Rule 8210 demands.”⁷² Under Rule 8210, a formerly registered person is deemed to have received a FINRA Rule 8210 request if it was mailed or otherwise transmitted to their “last known residential address . . . as reflected in [CRD].”⁷³ If the FINRA staff responsible for sending the request actually knows “that the address in [CRD] is out of date or inaccurate,” then the FINRA staff must also mail or transmit a copy of the request to any other more current address known to the FINRA staff.⁷⁴

Rule 8210 “is at the heart of the self-regulatory system for the securities industry.”⁷⁵ It “provides a means, in the absence of subpoena power, for [FINRA] to obtain from its members information necessary to conduct investigations.”⁷⁶ The rule “is unequivocal and grants FINRA broad authority to obtain information concerning an associated person’s securities-related business ventures.”⁷⁷ Associated persons must cooperate fully in providing FINRA with information.⁷⁸ Failing to comply with Rule 8210 requests “undermine[s] FINRA’s ability to carry out its regulatory responsibilities and hinder[s] its ability to detect misconduct that threatens investors and markets.”⁷⁹ It is therefore a violation of Rule 8210 for a person to fail to provide information sought by FINRA.⁸⁰

Barakat is also charged with violating FINRA Rule 2010, which requires a FINRA member “in the conduct of its business” to “observe high standards of commercial honor and just and equitable principles of trade.”⁸¹ This rule also applies to persons associated with a member,

⁷² *Dep’t of Enforcement v. Evansen*, No. 2010023724601, 2014 FINRA Discip. LEXIS 10, at *36 (NAC June 3, 2014), *aff’d*, Exchange Act Release No. 75531, 2015 SEC LEXIS 3080 (July 27, 2015).

⁷³ FINRA Rule 8210(d).

⁷⁴ *Id.*

⁷⁵ *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).

⁷⁶ *Id.* (quoting *Richard J. Rouse*, Exchange Act Release No. 32658, 1993 SEC LEXIS 1831, at *7 (July 19, 1993)).

⁷⁷ *Dep’t of Enforcement v. Gallagher*, No. 2008011701203, 2012 FINRA Discip. LEXIS 61, at *12 (NAC Dec. 12, 2012).

⁷⁸ *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 request 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.”).

⁷⁹ *Wilfredo Felix*, Exchange Act Release No. 100662, 2024 SEC LEXIS 1860, at *10 (Aug. 6, 2024), *petition for review denied*, 2025 U.S. App. LEXIS 24321 (D.C. Cir. Sept. 18, 2025).

⁸⁰ *See Reifler*, 2022 SEC LEXIS 167, at *13–17 (respondent’s refusal to answer questions during OTR testimony violated Rule 8210); *Juan Escobio*, Exchange Act Release No. 97701, 2023 SEC LEXIS 1532, at *16–17 (June 12, 2023) (respondent’s failure to provide testimony violated Rule 8210).

⁸¹ FINRA Rule 2010.

as they “have the same duties and obligations as a member under the Rules.”⁸² It is well-established that a violation of Rule 8210 constitutes a violation of Rule 2010.⁸³

B. Barakat Violated FINRA Rules 8210 and 2010 by Failing to Provide OTR Testimony

FINRA properly served the Second and Third Testimony Requests, in accordance with FINRA Rule 8210(d). As described above, Enforcement mailed the Second and Third Testimony Requests to both the CRD Address and the Florida Address.⁸⁴ Although Barakat stated in his Answer that the CRD Address was no longer current at the time the requests were mailed, the record shows that Barakat confirmed the CRD Address during calls with Enforcement counsel.⁸⁵ But regardless of whether the address was still current, Rule 8210(d) requires that the request be mailed to the last known residential address reflected in CRD.⁸⁶ Further, because Enforcement counsel learned of another, more current address—the Florida Address—through a Lexis search and calls with Barakat in early May 2024, Enforcement also mailed the Second and Third Testimony Requests to the Florida Address, as contemplated by Rule 8210(d).⁸⁷

Accordingly, the Hearing Panel finds Barakat received at least “constructive notice” of the Second and Third Testimony Requests.⁸⁸ Under Rule 8210(d), the properly served requests were deemed to have been received whether or not Barakat actually received them.⁸⁹ The Hearing Panel gives no weight to Barakat’s unsworn denial in his Answer to the allegations that Enforcement mailed the Second and Third Testimony Requests to the CRD Address and Florida

⁸² FINRA Rule 0140(a).

⁸³ *Dep’t of Enforcement v. DiPaola*, No. 2018057274302, 2023 FINRA Discip. LEXIS 4, at *37 n.18 (NAC Mar. 23, 2023) (citing *Blair C. Mielke*, Exchange Act Release No. 75981, 2015 SEC LEXIS 3927, at *41 n.49 (Sept. 24, 2015)), *appeal docketed*, No. 3-21402 (SEC May 1, 2023).

⁸⁴ CX-7, at 1; CX-8, at 1; Hr’g Tr. 55–58, 63–65.

⁸⁵ *See, e.g.*, CX-11, at 1; Hr’g Tr. 38, 46–47.

⁸⁶ It was also Barakat’s responsibility to keep his address of record current on CRD. *See Evansen*, 2015 SEC LEXIS 3080, at *16 (“During the period at issue, [respondent] was subject to FINRA’s continuing jurisdiction, and, as a result, he was required to update and receive mail at his CRD address on record.”); *Christopher Robert Arnold*, Exchange Act Release No. 103027, 2025 SEC LEXIS 1349, *10 (May 13, 2025) (“We have long emphasized the importance of updating one’s CRD address.”).

⁸⁷ Hr’g Tr. 56–57, 63–65; CX-7, at 1; CX-8, at 1.

⁸⁸ *See Evansen*, 2015 SEC LEXIS 3080, at *20 (a formerly registered person was “deemed to have received the requisite constructive notice” of a FINRA Rule 8210 request when it was sent to his most recent CRD address); *see also Felix*, 2024 SEC LEXIS 1860, at *6 n.16 (“all three requests are ‘deemed received’ under FINRA Rule 8210(d) because FINRA mailed them to [respondent’s] last known residential address in CRD”) (quoting FINRA Rule 8210(d)).

⁸⁹ *See, e.g., Evansen*, 2015 SEC LEXIS 3080, at *16 (Rule 8210 requests mailed to respondent’s CRD address were deemed to have been received whether or not he actually received them).

Address.⁹⁰ Notably, Barakat did not appear at the hearing and, thus, did not testify or put forth any other evidence on this issue. On the other hand, the Hearing Panel credits Enforcement counsel's sworn testimony that she mailed the OTR testimony requests to both the CRD Address and the Florida Address.

The uncontroverted evidence also shows that Barakat did not appear for OTR testimony on June 18, 2024, and July 11, 2024.⁹¹ By failing to appear for OTR testimony requested by FINRA, Barakat violated Rules 8210 and 2010.

V. Sanctions

FINRA's Sanction Guidelines ("Guidelines") recommend that if an individual does not respond in any manner to a request made pursuant to Rule 8210, a bar should be standard.⁹² The Principal Consideration in determining sanctions for failing to respond in any manner to a request made under Rule 8210 is the "importance of the information requested as viewed from FINRA's perspective."⁹³

In May and June 2024, Enforcement mailed Barakat requests to appear for OTR testimony via videoconference in connection with an investigation into whether Barakat engaged in churning and excessive trading in his customers' accounts. Barakat did not appear for the OTR testimony on either June 18, 2024, or July 11, 2024, as requested. According to Enforcement counsel, Barakat's testimony was necessary to evaluate whether Barakat engaged in the alleged misconduct.⁹⁴ Because he did not provide testimony, Enforcement was unable to obtain, among other things, "an understanding of where the recommendations came from that Mr. Barakat made."⁹⁵ According to Enforcement counsel, Enforcement was "not able to move forward with bringing excessive trading or churning violations related to those accounts because [Enforcement] just didn't have enough information about what was happening in those accounts, and what Mr. Barakat's rationale was for those accounts."⁹⁶ In sum, Barakat's failure to appear for the OTR testimony impeded FINRA's investigation.

⁹⁰ *Cf. Cleantech Innovations*, Exchange Act Release No. 69968, 2013 SEC LEXIS 1998, at *6 n.7 (July 11, 2013) (explaining that "unsworn representations by counsel contained in briefs or memoranda are not evidence of the facts they purport to recount"); *see also* *Bbale v. Lynch*, 840 F.3d 63, 67 (1st Cir. 2016) ("A party's factual assertions in pleadings are not evidence and are not sufficient to establish material facts."); *Wood ex rel. Wood v. Am. Inst. in Taiwan*, 286 F.3d 526, 534 (D.C. Cir. 2002) (explaining that unsupported factual assertions by counsel in a brief or other pleading "are not evidence").

⁹¹ Hr'g Tr. 20–23, 62, 67.

⁹² Guidelines at 93 (2024), https://www.finra.org/sites/default/files/Sanctions_Guidelines.pdf.

⁹³ *Id.*

⁹⁴ Hr'g Tr. 69.

⁹⁵ Hr'g Tr. 69.


⁹⁶ Hr'g Tr. 69.

Considering the foregoing, and because the Hearing Panel finds there are no mitigating factors, the appropriate sanction is a bar in all capacities. In light of the bar, the Hearing Panel does not also impose a fine.⁹⁷

VI. Order

Respondent Shadi T. Barakat violated FINRA Rules 8210 and 2010 by twice failing to appear for OTR testimony that FINRA requested. For this misconduct, Barakat is barred from association with any FINRA member firm in all capacities. 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 Decision becomes the final disciplinary action of FINRA.

Barakat is also ordered to pay the hearing costs of \$1,605.32, consisting of a \$750 administrative fee and \$855.32 for the cost of the transcript. The costs shall be due on a date set by FINRA but not sooner than 30 days after this decision becomes FINRA's final action.



Brian D. Craig
Hearing Officer
For the Hearing Panel

Dated: April 13, 2026

Copies to:

Shadi Taysir Barakat, Respondent (via email, overnight courier, and first-class mail)
Mark Fernandez, Esq., FINRA Enforcement (via email)
Alyssa Braver, Esq., FINRA Enforcement (via email)
Adam Balin, Esq., FINRA Enforcement (via email)

⁹⁷ 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 in this case did not demonstrate customer loss.