This Order has been published by FINRA's Office of Hearing Officers and should be cited as OHO Order 26-12 (2022075185901)

FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

BOUSTEAD SECURITIES, LLC
(CRD No. 141391),

SUTTER SECURITIES, INCORPORATED
(CRD No. 30770)

and

KEITH C. MOORE
(CRD No. 5191450),

Respondents.

Disciplinary Proceeding
No. 2022075185901

Hearing Officer–LOM

ORDER DENYING RESPONDENT'S MOTION TO STAY

I. Introduction

This proceeding commenced with the filing of a seven-count Complaint on January 15, 2026. The Complaint charges Respondents with violating various FINRA rules and violating Section 17(a) of the Securities Exchange Act and Exchange Act Rule 17a-4. Respondents did not file an Answer until after receiving a Second Notice of Complaint and then obtaining an extension of time to Answer. More than two months after the filing of the Complaint, Respondents filed an Answer on April 1, 2026.

On April 16, 2026, I held an initial pre-hearing conference. Although I had suggested to the parties before the pre-hearing conference that a hearing in October 2026 would be appropriate, scheduling conflicts and the complexity of the matter weighed in favor of a later hearing date. After the pre-hearing conference, the parties submitted a joint motion for a case management schedule leading to a two-week hearing in Los Angeles running from February 15-19, and February 22-26, 2027. I granted the joint motion and set the proposed hearing dates in a Case Management and Scheduling Order.

Respondents filed a motion to stay this FINRA disciplinary proceeding on April 20, 2026.[1] FINRA's Department of Enforcement filed its opposition on April 29, 2026.[2] For the reasons discussed below, Respondents' Motion to Stay is **DENIED**.

The parties are informed that the schedule set forth in the Case Management and Scheduling Order still stands. All due dates remain the same, and the hearing is still set to begin on February 15, 2027.

II. Discussion

A. The Applicable Standard

The parties agree that FINRA Rule 9222 establishes the standard for determining whether to postpone a hearing in a FINRA disciplinary proceeding like this one.[3] Rule 9222(a) authorizes a Hearing Officer to postpone a hearing "for good cause shown." Rule 9222(b)(1) sets forth five factors that a Hearing Officer "shall consider" in determining whether to postpone a hearing. The five factors are:

- the length of the proceeding to date;
- the number of postponements, adjournments, or extensions already granted;
- the stage of the proceedings at the time of the request;
- potential harm to the investing public if an extension of time, adjournment, or postponement is granted; and
- such other matters as justice may require.

Rule 9222(b)(2) specifies that postponements, adjournments, and extensions of time "shall not exceed 28 days unless the Hearing Officer states on the record or provides by written order the reasons a long period is necessary." This provision makes clear that lengthy pauses in the disciplinary process are frowned upon and should not occur unless analysis of the five factors clearly shows "good cause" for such a postponement or other delay.

B. Respondent's Motion to Stay

In their Motion to Stay, Respondents disclosed that the same day they filed an Answer in this FINRA disciplinary proceeding they also filed a complaint in the United States District Court for the District of Delaware, Case No. 1:26-cv-00360 ("Delaware Complaint") challenging

[1] Respondents' Motion to Stay ("Motion to Stay").

[2] Enforcement's Opposition to Respondents' Motion to Stay ("Enf. Opp.").

[3] Motion to Stay 4-5; Enf. Opp. 3.

FINRA's authority under the U.S. Constitution to initiate, prosecute, and adjudicate this proceeding. Respondents attached a copy of their Delaware Complaint to their Motion to Stay.

Respondents move for a stay of all deadlines and further proceedings in this disciplinary matter.[4] They assert that such a stay would "preclude[] FINRA's Department of Enforcement, and the Hearing Panel, from moving forward with a proceeding that may lack a lawful foundation."[5]

C. Enforcement's Opposition

As an initial matter, in its Opposition to Respondents' motion to stay Enforcement notes that it is well-established that "the mere existence of a parallel civil or criminal action does not constitute good cause to stay a FINRA disciplinary proceeding."[6] Protection of the securities industry and members of the investing public often requires prompt action without waiting for the outcome of another proceeding.[7] Enforcement then argues that Respondents have failed to meet the standard under FINRA Rule 9222 for postponing a hearing.[8]

D. Discussion

The five factors in FINRA Rule 9222(b)(1) do not weigh in favor of the stay that Respondents request.

First, with respect to the length of the proceeding and number of postponements or extensions, Respondents mischaracterize this case as at an early stage. They note that I only recently held the initial pre-hearing conference.[9] However, I disagree that this case is at an early stage. I only recently held the initial pre-hearing conference because Respondents failed to answer the first Notice of Complaint, which set a February 12, 2026 deadline for answering. When Respondents failed to answer by the deadline, Enforcement issued a second Notice of Complaint, which set a March 6, 2026 deadline for answering. Respondents then sought and received an extension of time to answer the Complaint. They ultimately filed an Answer on April 1, 2026. So, although I only recently held the initial prehearing conference, this case is not at an early phase. Enforcement filed the Complaint on January 15, so the matter has been open for several months. I will also consider that Respondents have already received extensions. Additionally, Respondents sought and received a hearing date months after the time I initially

---

[4] Motion to Stay 1.

[5] Motion to Stay 2.

[6] Enf. Opp. at 3-4.

[7] OHO Order 23-26 (2019063152202) (Sept. 20, 2023), at 4, https://www.finra.org/sites/default/files/2025-06/OHO_23-26-Lebental_2019063152202.pdf (collecting orders).

[8] Enf. Opp. at 3-8.

[9] Motion to Stay 4.

suggested for the hearing. The proposed hearing date is now scheduled for 13 months after the filing of the Complaint, which is a longer delay than customary in disciplinary proceedings.

Respondents also argue that it would be time-intensive and costly for them to begin review of the extensive discovery Enforcement as provided to Respondents' counsel—over 1.3 million pages of documents. Respondents would like to save the expense and effort of reviewing those documents in the hope that it will prove unnecessary if their constitutional challenge in Delaware is successful.[10] Merely wanting to avoid the burden of litigating disciplinary charges, however, is no basis for indefinitely staying the disciplinary proceeding.

And Respondents are plainly arguing for an indefinite stay, even though they say they are not. Respondents say that the stay will end when a determination is made regarding their various constitutional challenges to this proceeding. Although there is a specified endpoint, there is no knowing when that will happen. The uncertainty about when the Delaware Complaint will be resolved, including possible appeals, makes the stay requested by Respondents incompatible with the requirement in FINRA Rule 9222(b) that any postponement be for a "reasonable period of time." Indeed, "[t]here is no provision in the [FINRA] Code of Procedure that specifically authorizes a Hearing Officer to grant an indefinite stay of a disciplinary proceeding."[11] An indefinite stay of this proceeding is therefore improper, and the Office of Hearing Officers has repeatedly denied requests for indefinite stays, finding them improper and inconsistent with FINRA's regulatory mission.[12]

FINRA Rule 9222(b)(1) also directs me to examine the potential harm to the investing public if the hearing is postponed. Respondents assert that the Complaint against them does not discuss ongoing customer harm, and that there is "no cognizable risk to investors."[13] They note that the individual Respondent, Moore, has not been registered with FINRA for more than two years.[14] Moore, nevertheless, could reassociate with a FINRA member firm at any time. And Respondents fail to acknowledge is that both member firm Respondents are still in the industry. Enforcement does not have to allege ongoing customer harm. The fact that the firms are still in

---

[10] Motion to Stay 4.

[11] OHO Order 98–31 (C06980015) (Oct. 23, 1998), at 1, http://www.finra.org/sites/default/files/OHODecision/p007764_0.pdf. *See also* OHO EXP21-02 (FPI21005) (Aug. 24, 2021), at 4–5, https://www.finra.org/sites/default/files/2021-12/OHO_EXP21-02_FPI210005.pdf (finding that an indefinite stay is "contrary to FINRA's regulatory mission and its responsibility as an SRO (self-regulatory organization) for overseeing the conduct of member firms and their associated persons").

[12] *See* OHO Order 23–26, at 5–6 ("FINRA must stand ready to fulfill its statutory obligations to protect investors and maintain fair and orderly markets, and an indefinite postponement would thwart FINRA's ability to fulfill its statutory obligation.") (internal quotations omitted); OHO EXP21-02 (FPI210005) (Aug. 24, 2021), at 4–5, https://www.finra.org/sites/default/files/2021-12/OHO_EXP21-02FPI210005.pdf (finding that an indefinite stay is "contrary to FINRA's regulatory mission and its responsibility as an SRO (self-regulatory organization) for overseeing the conduct of member firms and their associated persons"); OHO Order 98-31, at 1–2.

[13] Motion to Stay 4.

[14] Motion to Stay 4.

the industry means they have many opportunities to do harm now and in the future. They have been charged with multiple serious violations of various types. That means that there also is a risk of many different types of potential misconduct involving different aspects of their business. The potential harm to public investors and market integrity if resolution of this matter is delayed is significant.

The final factor involves weighing the interests of justice. This factor directs a Hearing Officer to examine the circumstances of the particular case that might be relevant to fairness concerns. Respondents assert that it is unjust for them to be required to "litigate on two fronts simultaneously."[15] But a parallel proceeding, whether civil or criminal, does not constitute good cause to stay a FINRA disciplinary proceeding. It is well-established that the mere existence of a parallel civil or criminal action does not constitute good cause to stay a FINRA disciplinary proceeding.[16]

Respondents additionally argue that their constitutional challenges to FINRA's structure and disciplinary process are strong, and, based on that assessment, that it would be unjust for them to be forced to participate in this proceeding before the resolution of their constitutional claims.[17] Enforcement takes issue with Respondents' view of the strength of their constitutional arguments.[18] I do not think that the strength or lack of strength of the myriad constitutional arguments raised by the Delaware Complaint are appropriate for me to analyze in the context of Respondents' Motion to Stay. The Delaware court will decide.

I find that Respondents have failed to show "good cause" for the indefinite stay they request.

---

[15] Motion to Stay 5.

[16] *See* OHO Order 19–18 (2015045312501) (Feb. 15, 2019), at 3, https://www.finra.org/sites/default/files/2019-10/OHO_Order_19-18_2015045312501.pdf (denying request to stay proceeding because of pending federal civil action and explaining that "[i]t is not inherently unfair for Respondents to defend two proceedings at the same time").

[17] Motion to Stay 2–4.

[18] Enf. Opp. 5–8.

III. ORDER

For the reasons set forth above, Respondents' Motion to Stay is **DENIED**.

SO ORDERED.

Lucinda O. McConathy
Hearing Officer

Dated: May 4, 2026

Copies to:

Richard F. Ensor, Esq., Michael Best & Friedrich LLP, for Respondents (via OHO Docket Portal)
Daniel Jozwiak, Esq., Michael Best & Friedrich LLP, for Respondents (via OHO Docket Portal)
Nicholas Pilgrim, Esq., FINRA Enforcement (via OHO Docket Portal)
Jena Levin, Esq., FINRA Enforcement (via OHO Docket Portal)
John R. Baraniak, Esq., FINRA Enforcement (via OHO Docket Portal)