

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

ROBERT EARL HOLADAY,
(CRD No. 1043463),

Respondent.

Disciplinary Proceeding
No. 2012032519101

Hearing Officer–CC

HEARING PANEL DECISION

May 21, 2015

Respondent violated FINRA Rule 2010 by forging or causing the forgery of one customer’s signature on a new account application form and a financial advisor change form and two additional customers’ signatures on financial advisor change forms. For this misconduct, Respondent is suspended in all capacities for two years and fined \$10,000.

Appearances

Jennifer L. Crawford, Esq., and Carolyn Craig, Esq., Rockville, Maryland, representing FINRA’s Department of Enforcement.

Douglas B. Martin, Jr., Esq., San Francisco, California, representing Robert Earl Holaday.

DECISION

I. Introduction

Respondent Robert Earl Holaday (“Holaday”) forged or caused to be forged a customer’s signature on a new account application form and a financial advisor change form and two customers’ signatures on financial advisor change forms to transfer the three customers’ accounts from Royal Alliance Associates, Inc. (“Royal Alliance”) to Centaurus Financial, Inc. (“Centaurus”). The Hearing Panel finds that, in doing so, Holaday violated FINRA Rule 2010.

On July 31, 2014, FINRA’s Department of Enforcement (“Enforcement”) filed an Amended Complaint.¹ In December 2011, Holaday ended his association with Royal Alliance

¹ FINRA filed a Complaint on June 2, 2014. The initial Complaint contained allegations related only to two customers. On July 31, 2014, Enforcement amended the Complaint to include allegations related to a third customer.

and commenced his association with Centaurus.² At the time, Holaday was registered with FINRA as an investment company products and variable contracts limited representative and general securities representative and principal. He also was registered to sell securities in various states. FINRA commenced the investigation that led to the filing of the Complaint when Centaurus filed a Uniform Termination Notice for Securities Industry Registration (“Form U5”) indicating that it had terminated Holaday after it discovered complaints regarding signature irregularities on change of dealer forms.³

The Amended Complaint alleges that, in April 2012, Holaday submitted to Centaurus a new account application dated March 28, 2012, for customer SW, a former Royal Alliance customer. The Amended Complaint alleges that the new account application contained SW’s purported signature. Holaday also was listed as SW’s financial advisor on SW’s eight mutual fund accounts at Oppenheimer Funds (“Oppenheimer”). The Amended Complaint alleges that, on March 30, 2012, Holaday submitted to Oppenheimer a March 28, 2012 financial advisor change form containing SW’s purported signature. The Amended Complaint alleges that SW never signed the new account application or financial advisor change form, never authorized anyone to sign the forms on her behalf, and never returned the forms to Holaday. The Amended Complaint alleges that Holaday forged or caused the forgery of SW’s signature on the two forms.

The Amended Complaint alleges that EG, a Royal Alliance customer, held Oppenheimer mutual funds and that Holaday was listed as her financial advisor. The Amended Complaint alleges that, on May 11, 2012, Holaday submitted to Oppenheimer a May 4, 2012 financial advisor change form containing EG’s purported signature. The Amended Complaint alleges that EG never signed the financial advisor change form, never authorized anyone to sign the form on her behalf, and never returned the form to Holaday. The Amended Complaint alleges that Holaday forged or caused the forgery of EG’s signature on the financial advisor change form.

The Amended Complaint alleges that AT, a Royal Alliance customer, held a retirement account at Oppenheimer and that Holaday was listed as the financial advisor for the account. The Amended Complaint alleges that, on May 10, 2012, Holaday submitted to Oppenheimer an April 20, 2012 financial advisor change form containing AT’s purported signature. The Amended Complaint alleges that AT never signed the financial advisor change form, never authorized anyone to sign the form on her behalf, and never returned the form to Holaday. The Amended Complaint alleges that Holaday forged or caused the forgery of AT’s signature on the financial advisor change form.

Holaday filed an Amended Answer on August 20, 2014. He denies that he forged or caused the forgery of the three customers’ signatures on any forms. He admits, however, that he was listed as financial advisor for EG, SW, and AT and that he was their account representative at Royal Alliance. Holaday asserts that, because of the amount of time that has passed and given

² August 20, 2014 Amended Answer (“Ans.”) at ¶¶ 2-3.

³ Ans. at ¶¶ 2-3. Holaday associated with Infinity Financial Services, Inc. (“Infinity”) on August 16, 2012. Ans. at ¶ 4. He currently is associated with Infinity. Ans. at ¶ 4.

that he was attempting to notify approximately 800 customers of his move from Royal Alliance to Centaurus, he had little recollection as to individual forms. He states that he believes that the three customers signed the forms at issue.

The parties participated in a three-day hearing in San Diego, California on January 6, 7, and 8, 2015. Customer AT testified via telephone. Customers EG and SW appeared and testified in person. Holaday testified and offered the testimony of two character witnesses and one forensic document examiner.

The Hearing Panel finds that Holaday violated FINRA Rule 2010 by forging or causing the forgery of three customers' signatures on financial advisor change forms and one customer's signature on a new account application form. For this misconduct, the Hearing Panel suspends Holaday from associating in any capacity with any member firm for two years and fines him \$10,000.

II. Findings of Fact

A. Holaday's Office

While associated with Royal Alliance and later Centaurus, Holaday operated his own small office. He was the only registered person in the office and the only principal.⁴ Holaday testified that he became disenchanted with Royal Alliance and began experiencing problems with his direct supervisor, KH, towards the end of 2011.⁵ When he decided to resign, he told KH, and she led him to believe that Royal Alliance would help him transfer his clients' accounts to Centaurus.⁶ In reality, however, the day after Holaday's mid-December 2011 resignation from Royal Alliance, the firm blocked Holaday's access to his computerized customer records, so he was left to rely solely on his paper files to contact his clients.⁷ Additionally, KH sent Holaday's clients letters stating that she had taken over his accounts.⁸ In late December 2011, Holaday sent packets to his clients, advising them of his change in broker-dealer affiliation and providing forms for the clients to complete to move their accounts to Centaurus and to keep Holaday as their financial advisor of record.⁹ Holaday hoped that the transition would not result in the loss

⁴ January 6, 7, and 8, 2015 Hearing Transcript ("Tr.") 295-296. Holaday testified that, for a brief period in early 2012, registered person, CR, worked with him. Tr. 340. Holaday testified that CR did not assist him with transferring customer accounts from Royal Alliance to Centaurus. Tr. 340-341, 345, 348. Holaday stipulated that he was not contending that CR forged the customers' names. Tr. 389-391.

⁵ Tr. 433-434.

⁶ Tr. 436-438.

⁷ Tr. 438-441.

⁸ Tr. 439.

⁹ Tr. 301-302, 439-440.

of his substantial customer base, so there was some urgency to his efforts to communicate with his clients.¹⁰

Holaday described his office as a “family affair.”¹¹ He stated that two long-term, unregistered employees helped him transition from Royal Alliance to Centaurus. One person was RF, an administrative assistant who, as of January 2012, had worked with Holaday for seven years, and the other person was REH, Holaday’s adult son who served as his office manager for 10 years.¹² Holaday testified that REH and RF assisted him with paperwork during the transition from Royal Alliance to Centaurus.¹³ He testified that, at his direction, they pre-populated forms with information contained in his paper files, highlighted and flagged areas to be completed and signed by customers, and mailed packets to customers.¹⁴ Holaday testified that REH printed Holaday’s name on forms and dated Holaday’s signature.¹⁵ Holaday testified that REH and RF opened mail and placed completed customer forms in front of him for review before forwarding them to Centaurus and Oppenheimer.¹⁶ Holaday also stated that REH handled his computer work, particularly with respect to completing customer forms such as those at issue.¹⁷ He testified that both REH and RF maintained client lists that indicated which clients had returned completed change of broker forms and which had not.¹⁸

B. Customers SW, EG, and AT

As discussed in more detail below, the Hearing Panel heard the in-person testimony of customers SW and EG and the telephone testimony of AT. The Hearing Panel found their testimonies to be credible.

1. SW

SW testified that she first met Holaday in or around 1988 through a friend, and he became her broker.¹⁹ At the time, she resided in California, and in 2006, she relocated to Oregon.²⁰ She stated that she generally had contact with Holaday one or two times per year.²¹

¹⁰ Tr. 305-306.

¹¹ Tr. 436.

¹² Tr. 334-335, 342-343, 355, 358-359. Holaday testified that his daughter (“DH”) “stuffed envelopes” during Holaday’s transition from Royal Alliance to Centaurus. Tr. 356-357.

¹³ Tr. 334-335.

¹⁴ Tr. 301-306, 358-359.

¹⁵ Tr. 358-359, 374.

¹⁶ Tr. 422, 444.

¹⁷ Tr. 443-444.

¹⁸ Tr. 470.

¹⁹ Tr. 208-209.

²⁰ Tr. 206-210.

²¹ Tr. 210.

SW held some stocks in an equities account at Royal Alliance for which Holaday was the representative of record.²² She also held Oppenheimer mutual funds, an individual retirement account (“IRA”), and a variable annuity. Holaday was the financial advisor of record for these.²³

SW testified that, on or around December 21, 2011, she received a letter from KH, Holaday’s manager at Royal Alliance.²⁴ The letter stated that Holaday recently had resigned from Royal Alliance and offered SW the opportunity to remain as a client of Royal Alliance with KH as her account representative.²⁵ SW spoke with KH’s assistant on December 21, 2011, and confirmed that all of her accounts had been transferred to KH.²⁶ SW testified that she made a conscious decision to terminate her relationship with Holaday when she learned that he had resigned from Royal Alliance because she had some concerns about his accessibility and attention to detail.²⁷

SW testified that, later in December 2011, she received two packets of documents from Holaday in which he explained to her that he had resigned from Royal Alliance and associated with Centaurus.²⁸ She testified that Holaday sent both packets to her old address, but they were forwarded to her.²⁹ The packets included an undated cover letter from Holaday in which he asks that she complete and sign the enclosed forms to move her accounts with Holaday from Royal Alliance to Centaurus.³⁰ The packets included Centaurus new account applications that were partially completed with SW’s name and former address, Holaday’s printed name, and highlights and flags to indicate where SW needed to add information and sign.³¹ Additionally, the packets included Oppenheimer financial advisor change forms that were pre-populated with Holaday’s name and address as the financial advisor of record.³² They too were highlighted to indicate where SW needed to add information and sign.³³ SW testified that neither she nor her husband completed or signed any forms or authorized someone else to complete or sign them.³⁴

²² Tr. 209.

²³ Tr. 209. The documents at issue in this case relate only to SW’s equities account at Royal Alliance and her Oppenheimer mutual funds.

²⁴ Tr. 218; Complainant’s Exhibit (“CX”)-12 at 10.

²⁵ CX-12 at 10.

²⁶ Tr. 220-222.

²⁷ Tr. 212.

²⁸ Tr. 223-234; CX-12 at 13-23. One packet was addressed to SW for her individual equities account and one was addressed to “the W Team,” which was the name on the IRA account that SW owned with her husband. Tr. 209, 235.

²⁹ Tr. 224.

³⁰ Tr. 228-229; CX-12 at 13.

³¹ Tr. 229-230; CX-12 at 14-15.

³² CX-12 at 16-17.

³³ Tr. 232-233; CX-12 at 16-17.

³⁴ Tr. 231, 233-236. The packets also included a Centaurus brochure. Tr. 236; CX-12 at 23.

SW testified that she received another letter from Holaday in August 2012, in which he explained that, after a brief association with Centaurus, he was moving to Infinity.³⁵ He also stated that SW should expect to receive a packet of paperwork to complete and return to Holaday in the near future.³⁶ Holaday sent the letter to SW's former address.³⁷ In November 2012, Holaday sent another packet to SW and her husband (addressed to "the W Team").³⁸ In this mailing, Holaday provided more information about his change in broker-dealer affiliation from Centaurus to Infinity, and he provided a partially completed Oppenheimer financial advisor change form for SW and her husband to sign.³⁹ Neither SW nor her husband signed the form.⁴⁰

Holaday admitted that he submitted a March 28, 2012 Centaurus new account application containing SW's purported signature to Centaurus.⁴¹ He also admitted that he sent an Oppenheimer financial advisor change form containing SW's purported March 28, 2012 signature to Oppenheimer on or around March 30, 2012.⁴² Additionally, Holaday admitted that he dated SW's signature on both forms.⁴³ At the hearing, SW reviewed both forms and denied that she signed her name or authorized anyone to sign her name on either form.⁴⁴

SW kept in her personal records the packets of materials that Holaday sent to her. The unsigned forms that SW received from Holaday differed significantly from the completed forms containing SW's forged signature that Holaday submitted to Centaurus and Oppenheimer. For instance, the top portion of the forged Centaurus new account application that Holaday submitted to Centaurus in April 2012 contained hand-written information (in blue ink) for SW's name, address, phone number, driver's license number, tax bracket, net worth, and annual income.⁴⁵ In contrast, the unsigned Centaurus new account application that Holaday sent to SW in December 2011 contained type-written information in the sections for SW's name, address, and telephone number and highlighting on sections that SW needed to complete for annual income, net worth, tax bracket, and identification.⁴⁶ The yellow highlighting was missing from the form that Holaday submitted to Centaurus.⁴⁷ Additionally, the new account application form that Holaday submitted to Centaurus contained an accurate address for SW, but the pre-populated form that

³⁵ Tr. 238-239; CX-12 at 1.

³⁶ CX-12 at 1.

³⁷ Tr. 238-239.

³⁸ CX-12 at 3, 7.

³⁹ CX-12 at 3-7. SW testified that, sometime in or around November 2012, Holaday contacted her to encourage her to sign the paperwork to transfer her accounts to Infinity. Tr. 251-252.

⁴⁰ Tr. 225-226.

⁴¹ Tr. 318; CX-9.

⁴² Tr. 359-360; CX-11.

⁴³ Tr. 365.

⁴⁴ Tr. 243-244, 248-249, 250-251; CX-9; CX-11.

⁴⁵ CX-9 at 1.

⁴⁶ CX-12 at 14.

⁴⁷ Tr. 408-410.

Holaday sent to SW contained an outdated address.⁴⁸ SW stated that she did not recognize any of the handwriting on the document that Holaday submitted to Centaurus and that it inaccurately listed her former occupation (she is retired) as federal police officer.⁴⁹ She testified that, although she once worked for the United States Customs Service, she never was employed as a law enforcement officer.⁵⁰ The Oppenheimer financial advisor change form that Holaday submitted to Oppenheimer in March 2012 also differed from the financial advisor change form that Holaday sent to SW. The first section (Financial Advisor Information) appears similar, but Holaday's name is printed differently on both forms.⁵¹

Enforcement entered into evidence one of Respondent's proposed exhibits that Respondent ultimately chose not to offer into evidence. The exhibit is a Lincoln Financial Group ("Lincoln Financial") individual annuity change of broker/financial representative form dated March 26, 2012.⁵² The form contains information regarding SW's variable annuity and includes SW's purported signature.⁵³ SW reviewed the form and denied that the signature on the form was hers.⁵⁴ Holaday admitted that he inserted the date on SW's signature line and that he submitted the form to Lincoln Financial in March 2012 to change SW's broker of record for her variable annuity from KH to Holaday.⁵⁵ Holaday also testified that he signed his name and dated the form and input the other hand-written information on the form.⁵⁶ He denied that he signed SW's name on the form.

2. EG

EG testified that she met Holaday in or around 1998 when she was referred to him by former co-workers.⁵⁷ She testified that, while she was Holaday's client, she generally met with him two times per year.⁵⁸ She had an account at Royal Alliance in which she held Oppenheimer mutual funds and other investments.⁵⁹ EG stated that she became dissatisfied with Holaday's

⁴⁸ Tr. 408-410; CX-9 at 1; CX-12 at 14.

⁴⁹ Tr. 244-245; CX-9.

⁵⁰ Tr. 244-245, 273-274.

⁵¹ CX-11 at 2; CX-12 at 17. Holaday acknowledged that the two forms were different. Tr. 412-414. He suggested that perhaps he sent SW a second Oppenheimer change of advisor form that she later signed. Tr. 414. SW denied that she completed or signed the form at any time. Tr. 248-249.

⁵² RX-20. The Complaint does not contain allegations related to this form.

⁵³ RX-20.

⁵⁴ Tr. 280-281; RX-20. SW noted that, like the unsigned, pre-populated forms that Holaday sent to her in December 2011, this form contains her old address which was no longer correct. Tr. 281-283. She stated that she moved to her current address in April 2011 and that, in March 2012, when this form is dated, she would not have signed a form that included an inaccurate address. Tr. 281-283; RX-20.

⁵⁵ Tr. 364-366; RX-20.

⁵⁶ Tr. 364-365.

⁵⁷ Tr. 123-124.

⁵⁸ Tr. 125.

⁵⁹ Tr. 124.

service before December 2011 because she felt that he did not timely return her calls.⁶⁰ In December 2011, when she received KH's letter stating that Holaday had resigned from Royal Alliance and that KH would begin handling her account, EG was surprised and upset, and she contacted KH.⁶¹

EG testified that soon after receiving KH's letter, she received a packet of documents from Holaday.⁶² She received the first packet in December 2011 and the second packet in May 2012.⁶³ The December 2011 packet included an undated letter from Holaday in which he states that he joined Centaurus and asks EG to complete and sign the enclosed forms.⁶⁴ The packet also included a self-addressed return envelope for EG to return papers to Holaday, a Centaurus new account application, and an Oppenheimer financial advisor change form.⁶⁵ The Oppenheimer financial advisor change form was pre-populated with her hand-written name and social security number and Holaday's hand-written name and business address.⁶⁶ EG stated that the Centaurus new account application was partially completed with EG's name, address, social security number, and other identifying information hand-written and included a flag noting where EG should sign.⁶⁷ EG testified that she did not sign and return the forms, authorize anyone to sign them, or contact Holaday.⁶⁸

EG received a second packet in May 2012.⁶⁹ The second packet contained the same letter from Holaday and a Centaurus new account application.⁷⁰ The Centaurus new account application contained a Post-it[®] Note with a hand-written statement signed by Holaday asking EG to sign and return the form.⁷¹ EG testified that she did not sign and return the form or authorize anyone else to sign it.⁷² EG stated that, when she received this second packet, she had already transferred her account to a representative at Valic, another firm.⁷³ EG testified that in May 2012, she called Holaday and advised him that she had transferred her account to Valic and did not intend to sign and return the forms that he sent her.⁷⁴ EG also expressed displeasure that

⁶⁰ Tr. 128.

⁶¹ Tr. 129-131.

⁶² Tr. 130-132.

⁶³ Tr. 132-133; CX-22 at 3-13.

⁶⁴ CX-22 at 5.

⁶⁵ CX-22 at 4, 6-9.

⁶⁶ Tr. 139-140; CX-22 at 6-7.

⁶⁷ Tr. 148-149; CX-22 at 8-9.

⁶⁸ Tr. 140.

⁶⁹ Tr. 146.

⁷⁰ Tr. 146-150. EG stated that the second mailing did not include the Oppenheimer change of advisor form that Holaday included in his earlier mailing. Tr. 155.

⁷¹ Tr. 149-150; CX-22 at 8-9.

⁷² Tr. 153-154.

⁷³ Tr. 154.

⁷⁴ Tr. 156-157.

he included her social security number on documents that he sent her by first class mail.⁷⁵ EG testified that Holaday hung up on her.⁷⁶

EG subsequently received account statements from Oppenheimer that listed Holaday as her financial advisor.⁷⁷ EG and her Valic financial advisor, NCR, contacted Oppenheimer sometime around June 2012 to complain about Oppenheimer's listing Holaday as EG's financial advisor.⁷⁸ During the conversation with Oppenheimer, EG requested and received a copy of the financial advisor change form that contained EG's purported May 4, 2012 signature.⁷⁹ EG reviewed the form and advised Oppenheimer that the signature did not belong to her.⁸⁰

Holaday admitted that, on May 11, 2012, he submitted to Oppenheimer an Oppenheimer financial advisor change form that contained EG's purported May 4, 2012 signature.⁸¹ Holaday testified that the printing in section one of the form (Financial Advisor Information) belongs to RF, his administrative assistant, and that she completed that section of the form at his direction.⁸² He testified that he does not know who printed EG's name below EG's signature line.⁸³ Holaday initially testified that he signed his name on the Oppenheimer financial advisor change form, but later testified that the signature on the form was not in fact his.⁸⁴ He testified unequivocally that he did not know who signed his name and stated that he did not believe that his son, REH, signed his name.⁸⁵ EG reviewed the Oppenheimer financial advisor change form that Holaday submitted to Oppenheimer, and she denied that she signed her name on the form.⁸⁶

EG maintained in her personal records the packets of materials that Holaday sent to her. The Oppenheimer financial advisor change form that Holaday submitted to Oppenheimer differed from the financial advisor change form that Holaday mailed to EG. The first section (Financial Advisor Information) appears similar, but EG's printed name in section two is different on both forms. Additionally, Holaday's and EG's printed names in the signature sections are different.⁸⁷

⁷⁵ Tr. 156-157.

⁷⁶ Tr. 157.

⁷⁷ Tr. 158.

⁷⁸ Tr. 158-160; CX-23.

⁷⁹ Tr. 158-162; CX-21.

⁸⁰ Tr. 162-164.

⁸¹ Tr. 368-369; CX-21.

⁸² Tr. 368-371.

⁸³ Tr. 371.

⁸⁴ Tr. 367-368.

⁸⁵ Tr. 369-370.

⁸⁶ Tr. 162-163; CX-21.

⁸⁷ Tr. 416-418; CX-21; CX-22 at 6-7.

3. AT

AT testified that she met Holaday in or around 1987 through her former employer, a local school district.⁸⁸ She testified that she did not have an equities account at Royal Alliance, but held Oppenheimer mutual funds for which Holaday was her financial advisor.⁸⁹ AT testified that, at some point, she began to question Holaday's trustworthiness.⁹⁰ AT attributed her concern mainly to the fact that a friend and former colleague of hers had severed her brokerage relationship with Holaday.⁹¹

AT testified that, in late December 2011, she received a letter from KH stating that Holaday had resigned from Royal Alliance and that KH would be handling AT's account going forward.⁹² AT stated that she thereafter contacted Oppenheimer and learned that, because she had begun receiving required minimum distributions, she could maintain her mutual funds at Oppenheimer as house accounts without identifying Holaday or anyone else as her financial advisor.⁹³ AT asked Oppenheimer to make her account a house account.⁹⁴

In January and again in April 2012, AT received packets of materials from Holaday.⁹⁵ The packet of materials that AT received on January 3, 2012, contained a Centaurus brochure, an undated letter from Holaday indicating that he recently left Royal Alliance and moved to Centaurus, an Oppenheimer financial advisor change form, a Centaurus change of dealer/change of representative notification, a self-addressed, stamped return envelope, and a Centaurus new account application.⁹⁶ AT testified that, when she received the packet from Holaday, many of the forms already contained Holaday's name and business address, AT's name, address, and other identifying information, and highlighting and flags to indicate where AT needed to add information and sign.⁹⁷ AT testified that she did not sign and return, or authorize anyone to sign and return, any of the forms.⁹⁸

AT received a second packet of materials from Holaday on April 21, 2012.⁹⁹ This packet included a Centaurus brochure, a Centaurus new account application, a self-addressed, stamped return envelope, and an undated cover letter from Holaday.¹⁰⁰ AT testified that, when she

⁸⁸ Tr. 33-34.

⁸⁹ Tr. 35.

⁹⁰ Tr. 37-38.

⁹¹ Tr. 37-38.

⁹² Tr. 39.

⁹³ Tr. 40-41.

⁹⁴ Tr. 40-41.

⁹⁵ Tr. 42-43; CX-29 at 6-22.

⁹⁶ Tr. 43-57; CX-29 at 12-22.

⁹⁷ Tr. 43-57; CX-29 at 12-22.

⁹⁸ Tr. 50, 54, 57.

⁹⁹ Tr. 57-64; CX-29 at 4-13.

¹⁰⁰ Tr. 57-64; CX-29 at 4-13.

received the packet, many of the forms already contained Holaday's name and business address, AT's name, address, and other identifying information, and highlighting and flags to indicate where AT needed to add information and sign.¹⁰¹ On one of the forms, Holaday included a Post-it[®] Note that encouraged AT to complete the highlighted sections, add her driver's license number, and sign and return the form.¹⁰² AT testified that she did not sign and return, or authorize anyone to sign and return, any of the forms in the second packet from Holaday.¹⁰³

AT first called Oppenheimer in early January 2012 to change her accounts to "house" accounts and ensure that Oppenheimer no longer listed Holaday as her financial advisor.¹⁰⁴ AT subsequently received her Oppenheimer statement for the end of the second quarter of 2012 (in or around July 2012), and it listed Holaday as her financial advisor.¹⁰⁵ AT immediately contacted Oppenheimer to complain, and Oppenheimer informed her that it had received an Oppenheimer change of advisor form with her April 20, 2012 signature on it.¹⁰⁶ AT obtained from Oppenheimer a copy of the Oppenheimer change of advisor form that included her purported signature.¹⁰⁷ AT reviewed the financial advisor change form from Oppenheimer and stated unequivocally that she did not complete or sign it.¹⁰⁸

Holaday admitted that, on May 1, 2012, he submitted to Oppenheimer an Oppenheimer financial advisor change form that contained AT's purported April 20, 2012 signature.¹⁰⁹ Holaday testified that the hand-written information and names on the form were inserted by someone (REH or RF) at his office under his direction, but he was not exactly sure who completed the form.¹¹⁰ Holaday admitted that he signed and dated his name on the form.¹¹¹ At the hearing, AT confirmed that she had not signed or authorized anyone else to sign the Oppenheimer financial advisor change form that Holaday submitted to Oppenheimer.¹¹²

AT maintained in her personal records the packets of materials that Holaday sent to her. The unsigned form that AT received from Holaday in January 2012 differed from the completed form containing AT's forged signature that Holaday submitted to Oppenheimer. The first section (Financial Advisor Information) appears similar, but section two of the unsigned form

¹⁰¹ Tr. 57-64; CX-29 at 4-13.

¹⁰² Tr. 61-62; CX-29 at 8.

¹⁰³ Tr. 58, 63.

¹⁰⁴ Tr. 69-70.

¹⁰⁵ Tr. 70.

¹⁰⁶ Tr. 70-76; CX-30.

¹⁰⁷ Tr. 75-77.

¹⁰⁸ Tr. 77-78; CX-29 at 4-5.

¹⁰⁹ Tr. 373-375; CX-28.

¹¹⁰ Tr. 374-376.

¹¹¹ Tr. 373-375.

¹¹² Tr. 64-69; CX-28.

contains highlights that are not on the signed form.¹¹³ Additionally, Holaday's printed name under his signature is different on the two forms.¹¹⁴

C. Holaday's Motion to Reopen the Hearing

On January 23, 2015, Holaday filed a motion to reopen the hearing to permit him to submit two declarations and present additional testimony. In the motion, Holaday represented that he discovered during the course of the hearing that the signature purported to be his on EG's financial advisor change form that he submitted to Oppenheimer was in fact not his.¹¹⁵ He contended that this prompted him to confront his son, REH, after the hearing and ask if he had signed Respondent's name on the EG financial advisor change form. Holaday contended that REH admitted to signing Holaday's name and unexpectedly admitted to signing the names of customers SW, EG, and AT on the forms at issue.

Holaday attached to the motion his own signed declaration in which he states that it never occurred to him before the hearing to ask his son if he had signed the customers' names, even though REH worked in his office, assisted Holaday with his transition from Royal Alliance to Centaurus, and helped Holaday complete customer forms. Holaday claimed that he had not discussed this FINRA action with his son until after the hearing concluded. Holaday also appended to his motion REH's signed declaration in which REH states that, without his father's knowledge, he signed his father's name and the customers' names on the documents at issue to expedite the transfers of their accounts. REH states that his father never told him about FINRA's investigation or this proceeding.

On March 6, 2015, the Hearing Panel issued an Order Denying Holaday's Motion to Reopen the Hearing. FINRA Rule 9235(a)(5) grants the Hearing Officer the authority to do all things necessary and appropriate to discharge her duties, including reopening any hearing prior to the issuance of the decision of the Hearing Panel. FINRA patterned Rule 9235(a)(5) after SEC Rule of Practice 111.¹¹⁶ In SEC cases applying Rule 111, Commission administrative law judges have relied on the standards established in SEC Rule of Practice 452.¹¹⁷ Rule 452 requires that a party seeking to adduce additional evidence on appeal must show (1) that the additional evidence is material, and (2) that there were reasonable grounds for failing to adduce the evidence previously. The Commission has required parties who seek to adduce additional evidence under Rule 452 to meet both requirements.

¹¹³ Tr. 421-422; CX-28; CX-29 at 16-17.

¹¹⁴ Tr. 421-422; CX-28; CX-29 at 16-17.

¹¹⁵ The EG financial advisor change form can be found at CX-21.

¹¹⁶ See *Notice of Filing of Proposed Rule Change by NASD*, Exchange Act Release No. 38545, 1997 SEC LEXIS 959, at *2 (Apr. 24, 1997).

¹¹⁷ See *Michael J. Fee*, Administrative Proceedings Rulings Release No. 358, 1989 SEC LEXIS 5151, at *5-6 (Nov. 28, 1989); *Ernst & Whinney*, Administrative Proceedings Rulings Release No. 277, 1987 SEC LEXIS 4690, at *4-6 (June 17, 1987).

The Hearing Panel held that Holaday failed to demonstrate reasonable grounds for failing to adduce the evidence during the hearing. The Hearing Panel reasoned that Holaday clearly knew of his son's involvement with his business and his son's handling of the very forms at issue in this case and that he nonetheless chose, of his own volition, not to explore the possibility that his son signed the forms at issue. At the hearing, Holaday testified that REH worked with him in his office for approximately 10 years at the time of the alleged misconduct.¹¹⁸ Holaday testified that REH was his office manager, and that REH was one of two individuals who assisted him with paperwork during the transition from Royal Alliance to Centaurus.¹¹⁹ He testified that REH pre-populated information on customer forms related to the transition, printed Holaday's name on forms, and dated Holaday's signature.¹²⁰ Holaday testified that REH opened mail and placed completed customer forms in front of him for review.¹²¹ Holaday bore the responsibility for presenting evidence in his own defense. It was his choice not to discuss the matters at issue with his son, a person he knew to be a full-time, unlicensed employee of the firm who had access to the forms at issue.

In the March 6, 2015 Order Denying Holaday's Motion to Reopen the Hearing, the Hearing Panel noted that Holaday's own testimony suggested that he in fact considered and rejected the possibility of his son's involvement. When questioned directly as to whether REH could have signed the EG financial advisor change form for Holaday, Holaday testified unquestioningly that REH had not signed it.¹²² Furthermore, although Holaday contended that he did not discuss this case with REH, the excerpt from Holaday's March 2013 on-the-record testimony that Enforcement appended to its opposition to Holaday's motion suggests that Holaday told his sons (which presumably included REH) that he had been called to testify in front of FINRA about signature irregularities in his office.

The Hearing Panel concluded that Holaday cannot gamble on one course for his defense only to determine after the hearing that he prefers a different course of action. Accordingly, the Hearing Panel denied Holaday's motion.

D. Testimony of Forensic Document Examiner

Holaday's witness, forensic document examiner James Blanco ("Blanco"), testified that it was highly probable that SW, EG, and AT signed their names on the documents at issue.¹²³

¹¹⁸ Tr. 343.

¹¹⁹ Tr. 334-335.

¹²⁰ Tr. 358-359, 374.

¹²¹ Tr. 422, 444.

¹²² Tr. 370.

¹²³ Tr. 595, 602, 612.

Blanco explained how he compared known examples of SW's signature to the two allegedly forged signatures.¹²⁴ He noted certain similarities between SW's known signatures and the allegedly forged signatures, such as starting the initial letter with a downward right stroke, a lower elliptical loop at the bottom of the "S," and the shape of SW's middle initial.¹²⁵ Blanco gave the opinion that there was a strong probability that SW signed the signatures at issue.¹²⁶ Blanco explained how he compared known examples of EG's signature to the allegedly forged signature.¹²⁷ He noted certain similarities between EG's known signatures and the allegedly forged signature, such as pen direction in EG's surname, the shape of EG's "E" in her first name, and a distinctive terminal stroke in her last name.¹²⁸ Blanco gave the opinion that it was highly probable that EG signed the signature at issue.¹²⁹ Blanco also explained how he compared AT's known signatures to the allegedly forged signature.¹³⁰ He noted certain similarities between AT's known signatures and the allegedly forged signature, such as pen direction, letter proportions, and letter form.¹³¹ Blanco gave the opinion that it was highly probable that AT signed the signature at issue.¹³²

Blanco testified that he did not eliminate every other person as possibly having signed SW's, EG's, and AT's names.¹³³ He testified, however, that he eliminated Holaday by comparing the four allegedly forged signatures to writing samples from Holaday in which Holaday wrote out each customer's name multiple times.¹³⁴ Blanco's conclusion as to each customer's signature was that Holaday could be eliminated as the person who wrote the signature, based on the writing samples that Holaday provided to Blanco.¹³⁵

The Hearing Panel did not find Blanco's testimony persuasive for several reasons. First, Blanco testified that, out of the myriad known signatures for each customer, he chose only nine or ten arbitrarily to form the basis for his comparison.¹³⁶ Additionally, although Blanco pronounced that it was highly or strongly probable that each customer signed her own name, on cross-examination he conceded that significant differences between the known signatures and the forged signatures exist.¹³⁷ Notwithstanding these differences, Blanco stated that he concluded it

¹²⁴ Tr. 576-579.

¹²⁵ Tr. 576-578; CX-11 at 1-2.

¹²⁶ Tr. 580, 612.

¹²⁷ Tr. 589-595.

¹²⁸ Tr. 594-595; CX-12 at 1-2.

¹²⁹ Tr. 595.

¹³⁰ Tr. 600-602.

¹³¹ Tr. 601; CX-13 at 1-2.

¹³² Tr. 602.

¹³³ Tr. 614-615.

¹³⁴ Tr. 534-543, 548-552, 553-555, 614-615; Respondent's Exhibit ("RX")-8; RX-9; RX-10.

¹³⁵ Tr. 544, 552, 555.

¹³⁶ Tr. 653-654.

¹³⁷ Tr. 657-664, 669-672, 683-687; RX-11 at 1-2; RX-12 at 1-2; RX-13 at 1-2.

was highly probable that the three customers signed the signatures at issue.¹³⁸ Furthermore, Blanco's comparison of Holaday's writing the customers' names to the forged signatures was unpersuasive as a means to eliminate Holaday in that Holaday had incentive to make his writing appear dissimilar to the forged signatures.

III. Conclusions of Law

The Hearing Panel finds, by a preponderance of the evidence, that Holaday forged or caused the forgery of SW's signature on a Centaurus new account application and SW's, EG's, and AT's signatures on Oppenheimer financial advisor change forms and that, in doing so, Holaday violated FINRA Rule 2010.

It is well settled that forging a signature or causing another to forge a signature is unethical conduct that violates FINRA Rule 2010.¹³⁹ A finding that a respondent forged or caused the forgery of customer signatures may be established by circumstantial evidence, including the testimony of the individuals whose names were forged, evidence that the alleged forger had access to the documents and motive and opportunity to forge, the similarities and differences between the allegedly forged signatures and known signatures, and whether the alleged forger provided a viable explanation for how the allegedly forged signatures came to be on the documents at issue.¹⁴⁰

The Hearing Panel finds SW's, EG's, and AT's testimony to be credible, reliable and corroborated by other evidence. The three customers testified that they do not know each other and voluntarily agreed to testify.¹⁴¹ Yet, their testimony regarding their dealings with Holaday and the contents of the packets of information that they received when Holaday moved from Royal Alliance to Centaurus was tellingly consistent. When the customers testified, all three had

¹³⁸ Tr. 664-665, 674, 688.

¹³⁹ See *Eliezer Gurfel*, 54 S.E.C. 56, 62 (1999) (finding that respondent's forging or causing to be forged firm president's endorsement on commission checks violated NASD Rule 2110 (now FINRA Rule 2010)); *Dep't of Enforcement v. Ortiz*, No. E0220030425-01, 2007 FINRA Discip. LEXIS 3, at * 16 (NAC Oct. 10, 2007) (finding that act of forgery is unethical conduct that violates NASD Rule 2110 (now FINRA Rule 2010)), *aff'd* Exchange Act Release No. 58416, 2008 SEC LEXIS 2401 (Aug. 22, 2008); *Dep't of Enforcement v. Grafenauer*, No. C8A030068, 2005 NASD Discip. LEXIS 29, at *6 (NAC May 17, 2005) (holding that respondent's forging of signatures of school officials violated high standards of commercial honor to which NASD holds representatives).

¹⁴⁰ See generally *Eliezer Gurfel*, 54 S.E.C. at 62-63 (finding that respondent forged or caused forgery of endorsements where respondent admitted receiving checks, deposited the checks, and failed to offer an explanation of how the forged signatures came to be on the checks); *Dep't of Enforcement v. Ortiz*, 2007 FINRA Discip. LEXIS 3, at *16-26 (finding that respondent forged customer initials based on customers' testimony, respondent's equivocation in his explanations, respondent's failure to offer an alternative explanation for the forgery, and the fact that the respondent had access and opportunity to forge the customers' initials); *Dep't of Enforcement v. Masceri*, 2006 NASD Discip. LEXIS 29, at *23-28 (NAC Dec. 18, 2006) (finding that respondent forged signatures based on customer testimony, respondent's having access, opportunity, and motive to forge, and respondent's admissions); *Dist. Bus. Conduct Comm. v. Greene*, No. C07970051, 1998 NASD Discip. LEXIS 49, at *5-6 (NAC July 1, 1998) (finding respondent forged a customer's name based on the customer's testimony, the fact that the respondent's version of events changed several times, and respondent's motive to lie).

¹⁴¹ Tr. 82-83, 170, 252-253.

already transferred their accounts away from Holaday, and they did not claim that they suffered financial injury from Holaday's actions, so they had little incentive to falsely accuse him and nothing to gain from testifying against him. Each of the three customers maintained in her personal records the original and nearly identical packets that Holaday sent to them in December 2011. The Hearing Panel finds that their ability to produce the unsigned originals that they received from Holaday bolsters their claims that they never signed and returned the forms. Additionally, EG's and AT's testimony is supported by their communications with Oppenheimer, in which they complained that Holaday erroneously appeared on Oppenheimer statements as their financial advisor of record after he left Royal Alliance.

The customers' claims that they did not sign their names to the documents at issue also is supported by the Hearing Panel's findings in its own review of the signatures.¹⁴² The Hearing Panel found significant differences that caused it to place less weight on Blanco's conclusion that the customers signed their names. For example, Blanco testified that, in SW's two forged signatures, the formation of the "S" in SW's first name was unique, and that it was visually similar to the "S" in her known signatures.¹⁴³ The Hearing Panel found little, if any, visual similarities in the "S" in the forged and known signatures. Blanco also testified that the "G" in EG's surname appeared similar in the forged signature and EG's known signatures.¹⁴⁴ The Hearing Panel sees significant differences in the shape, size and formation of the letter "G" as EG's middle initial and in her surname between the forged signature and the known signatures. Blanco testified that the "o" in AT's surname was very compressed in the forged signature, unlike the "o" in her known signatures, which were quite open.¹⁴⁵ He attributed little meaning to this difference.¹⁴⁶ The Hearing Panel, however, found the difference to be quite significant.

Adding to the many differences between the known signature examples and the forged signatures that the Hearing Panel observed, on cross-examination, Blanco conceded that he too detected noteworthy differences. For example, with respect to AT, Blanco noted that the extension over the top right of the letter "A" in her first name is significantly different in the forged signature and known signatures.¹⁴⁷ He also testified that the base of the "T" in her last

¹⁴² See *John D. Audifferen*, Exchange Act Release No. 58230, 2008 SEC LEXIS 1740, at *19 (July 25, 2008) (holding that the Hearing Panel properly compared known signatures to the allegedly forged signatures to determine if respondent forged the signatures, and rejecting respondent's argument that the Hearing Panel cannot find forgery without expert testimony); *Dep't of Enforcement v. Masceri*, No. C8A040079, 2006 NASD Discip. LEXIS 29, at *22 (NAC Dec. 18, 2006) (holding that "the initial trier of fact (here the Hearing Panel) generally may determine whether a signature has been forged without the aid of an expert"); *Dep't of Enforcement v. Adler*, No. C9B020060, 2003 NASD Discip. LEXIS 25, at * 11 (NAC May 14, 2003) (holding that the Hearing Panel can compare a known handwriting sample with other handwriting to determine if the latter is genuine); *Dep't of Enforcement v. Manoff*, No. C9A990007, 2001 NASD Discip. LEXIS 4, at *28 (NAC Apr. 26, 2001) ("A fact-finder can compare a purported signature with a known signature to determine the purported signature's authenticity.").

¹⁴³ Tr. 675-680; RX-11 at 1-2.

¹⁴⁴ Tr. 672-674; RX-12 at 1-2.

¹⁴⁵ Tr. 661-662.; RX-13 at 1-2.

¹⁴⁶ Tr. 663.

¹⁴⁷ Tr. 657-658; RX-13 at 1-2.

name appears to be significantly different.¹⁴⁸ He also noted differences in the manner in which the “T” was crossed and the ending tail of a “w.”¹⁴⁹ As to EG, Blanco agreed that, in the forged signature, the letter “z” resembled a lower-case, cursive “j” and that this is not the case for EG’s known signatures.¹⁵⁰ He also stated that the lower “hump” in an “h” is less pronounced in her known signatures.¹⁵¹ With respect to SW, Blanco acknowledged at least three significant differences between the forged signatures and SW’s known signatures.¹⁵² He noted that the “W” in SW’s surname includes three bottom curves in the forged signatures, while her known signatures include only two curves.¹⁵³ He also noted as a significant difference that the peaks of the “W” descend in the two forged signatures and that, in SW’s known signatures, the two end peaks are consistently taller than the middle peak.¹⁵⁴ Blanco stated that the fact that the “W” and “r” in SW’s surname were connected in both forged signatures and not in the known signatures also is a significant difference.¹⁵⁵

With respect to Blanco’s comparison of Holaday’s writing of the three customers’ names to the forged signatures, Blanco testified that he was not present in the room when Holaday wrote the names. He stated that he observed Holaday over Skype write the customers’ names, but he did not observe him take the samples he wrote and place them in the mail.¹⁵⁶ He also testified that Holaday had seen the alleged forgeries before he wrote the customers’ names, and that Holaday had an interest in making his writings look different from the alleged forgeries.¹⁵⁷

The Hearing Panel finds that Holaday had opportunity and motive. Holaday admits that he submitted the forged documents to Centaurus and Oppenheimer.¹⁵⁸ He also states that he was the only registered person in his small “family” business and that RF and REH, the only two individuals besides himself involved in the process of transferring clients from Royal Alliance to Centaurus, acted under his direction.¹⁵⁹ Holaday even claims that he, RF, and REH partially completed forms before sending them to customers and sometimes dated forms after receiving them back from customers.¹⁶⁰ As the only registered person in the office and RF’s and REH’s

¹⁴⁸ Tr. 659-660; RX-13 at 1-2.

¹⁴⁹ Tr. 660-664; RX-13 at 1-2.

¹⁵⁰ Tr. 669-670; RX-12 at 1-2; EG’s name includes the letter “z” twice. RX-12 at 1-2.

¹⁵¹ Tr. 671-672.

¹⁵² Tr. 687.

¹⁵³ Tr. 683; RX-11 at 1-2.

¹⁵⁴ Tr. 684-686; RX-11 at 1-2.

¹⁵⁵ Tr. 686-687; RX-11 at 1-2.

¹⁵⁶ Tr. 690-691.

¹⁵⁷ Tr. 690-695; *See Dist. Bus. Conduct Comm. v. Bruno*, No. C10970007, 1998 NASD Discip. LEXIS 51, at *26 (NAC July 8, 1998) (“The obvious danger in collecting requested writings from an individual with a motive to disprove an allegation of forgery is that the individual may attempt to conform his writing to match the questioned writing.”).

¹⁵⁸ Tr. 318, 368-369, 373-375; CX-2; CX-9; CX-21.

¹⁵⁹ Tr. 358-359, 443-444.

¹⁶⁰ Tr. 334-335, 358-359, 374, 443-444.

supervisor, he had the unique opportunity to forge the signatures himself or cause RF or REH to do it for him. Although AT, EG, and SW were just three out of Holaday's many customers over thirty years in the business, he admitted that he was eager to move as many clients as possible with him when he left Royal Alliance.¹⁶¹ Holaday earned his living based on commissions, and he felt some urgency about transferring as many accounts as possible, regardless of the account size. Holaday also knew that KH, his former supervisor at Royal Alliance, was attempting to take over his old accounts, potentially placing Holaday at risk of losing many of his clients.

Furthermore, the forged forms that Holaday sent to Centaurus and Oppenheimer were markedly different from the forms that he mailed to the customers' homes.¹⁶² Holaday offered no viable explanation for how or why the forms changed in appearance. Finally, Holaday's testimony suggests that he was overwhelmed by the transition from Royal Alliance to Centaurus, and he mistakenly believed that Royal Alliance would provide more support than it did. He was unable to transition his clients in an orderly fashion, and his lack of access to his computer files may have prompted him to ease his burden by forging or causing the forgery of customer names. This is particularly the case if Holaday believed that KH would keep his customers at Royal Alliance.

The Hearing Panel finds, by a preponderance of the evidence, that Holaday forged or caused the forgery of SW's signature on a Centaurus new account application and an Oppenheimer financial advisor change form and AT's and EG's signatures on Oppenheimer financial advisor change forms, in violation of FINRA Rule 2010.¹⁶³

IV. Sanctions

For Holaday's violations, the Hearing Panel suspends Holaday from associating with any member firm in any capacity for two years and fines him \$10,000. FINRA's Sanction Guidelines ("Guidelines") for forgery recommend a bar in egregious cases and, in cases in which mitigating factors exist, a suspension of up to two years.¹⁶⁴ The Guidelines also recommend a fine of \$5,000 to \$100,000.¹⁶⁵

The Guidelines for forgery recommend that the adjudicator consider the nature of the documents forged and whether the respondent had a good faith, but mistaken, belief of express

¹⁶¹ Tr. 305-306.

¹⁶² Tr. 243-244, 248-249, 250-251, 409-410, 412-414, 416-418, 421-422; CX-9; CX-11; CX-12 at 14-17; CX-21; CX-22 at 6-7, CX-29 at 16-17, CX-21, CX-22 at 6-7.

¹⁶³ See *Ortiz*, 2007 FINRA Discip. LEXIS 3, at *22 (finding that Ortiz forged or caused the forgery of customer initials on applications based on circumstantial evidence); *Dep't of Enforcement v. Kapara*, No. C10030110, 2005 NASD Discip. LEXIS 41, at *18 n.12 (NAC May 25, 2005) ("Proof of a securities law violation can be made through an inference from circumstantial evidence and not solely upon direct testimonial confession.").

¹⁶⁴ See *FINRA Sanction Guidelines* (2013) at 37, available at <http://www.finra.org/web/groups/industry/@ip/@enf/@sg/documents/industry/p011038.pdf>.

¹⁶⁵ *Id.*

or implied authority.¹⁶⁶ Neither of these factors mitigates Holaday's misconduct. Indeed, the fact that the forms at issue were official firm records is an aggravating factor.

FINRA's Guidelines further direct adjudicators to consider relevant disciplinary history and whether the Respondent engaged in numerous acts of misconduct, a pattern of misconduct, or misconduct over an extended period of time.¹⁶⁷ There is no disciplinary history for us to consider here, and no evidence that Holaday engaged in a pattern of misconduct or that he engaged in forgery, or enabled others to do so, with respect to customers other than AT, SW, and EG, or over an extended period of time. These factors, while not mitigating, do not aggravate the misconduct.

Other factors that the Guidelines indicate could aggravate or mitigate Holaday's misconduct include whether his actions caused harm to the investing public and whether Centaurus disciplined him for this misconduct.¹⁶⁸ Neither of these factors aggravates the misconduct here. There is no evidence of customer harm, and Centaurus terminated Holaday. The Guidelines also direct the adjudicator to consider whether the respondent's misconduct resulted in the potential for respondent's monetary gain.¹⁶⁹ Holaday testified that his yearly commissions from the three accounts were slightly more than \$300 per year.¹⁷⁰ We consider this aggravating, but acknowledge that these clients were a small percentage of his overall client list.

We also have considered that Holaday's misconduct appears to have been aberrant and not otherwise reflective of the several decades that he worked in the securities industry. We consider this mitigating. The record suggests that Holaday's transition from Royal Alliance to Centaurus was difficult and disorganized, and that he was overwhelmed by the situation. We have considered the testimony of Holaday's two character witnesses, both of whom vouch for his character and business ethics.¹⁷¹ We note, however, that "[f]orgery is serious misconduct."¹⁷² We have balanced the many factors present in this case and conclude that Holaday's misconduct, although not egregious, is significant. His actions cast serious doubt on his commitment to the standards demanded of registered persons in this industry. Accordingly, the Hearing Panel suspends Holaday from associating with any member firm in any capacity for two years and fines him \$10,000.

¹⁶⁶ *Id.*

¹⁶⁷ *FINRA Sanction Guidelines* at 6 (Principal Consideration Nos. 1, 8, 9).

¹⁶⁸ *FINRA Sanction Guidelines* at 6-7 (Principal Consideration Nos. 11, 14).

¹⁶⁹ *FINRA Sanction Guidelines* at 7 (Principal Consideration No. 17).

¹⁷⁰ Tr. 473-475.

¹⁷¹ Tr. 447, 462.

¹⁷² *Dist. Bus. Conduct Comm. v. Greene*, 1998 NASD Discip. LEXIS 49, at *6.

V. Order

Respondent Robert Earl Holaday is suspended from associating with any member firm in any capacity for two years and fined \$10,000 for violating FINRA Rule 2010 by forging or causing the forgery of customer signatures on industry forms. Holaday is also ordered to pay the costs of the hearing in the amount of \$6,348.50, which includes a \$750 administrative fee and the cost of the hearing transcript. The costs shall be payable on a date set by FINRA, but not less than 30 days after this decision becomes FINRA's final disciplinary action in this matter.

If this decision becomes FINRA's final disciplinary action, the suspension shall become effective with the opening of business on Monday, July 20, 2015, and end on July 19, 2017.

Carla Carloni
Hearing Officer
For the Hearing Panel