

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

Department of Enforcement,

Complainant,

v.

David R. Oakes
CRD No. 1465154,

Respondent.

Disciplinary Proceeding
No. 2018057755201

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Between August 2016 and December 2017 (the “Relevant Period”), David Oakes structured three cash deposits and six cash withdrawals totaling \$61,500 for the purpose of attempting to evade federal reporting requirements.

2. Specifically, between August 1 and August 4, 2016, Oakes structured four cash withdrawals totaling \$21,500 from his personal bank account. On a single day, August 23, 2017, Oakes structured two cash withdrawals of \$6,500 each from the same bank account. Finally, between December 27 and 29, 2017, Oakes structured three cash deposits of \$9,000 each into the same personal bank account.

3. By this conduct, and by virtue of his violations of 31 U.S.C. § 5324(a) and 31 C.F.R. § 1010, Oakes violated FINRA Rule 2010.

RESPONDENT AND JURISDICTION

4. Oakes first became registered with FINRA as a General Securities Representative through his association with a FINRA member firm in March 1986. Oakes was associated with two FINRA member firms before he became associated with Wells Fargo Clearing Services, LLC (“Wells Fargo” or “the Firm”) on May 29, 2015. He remained registered with FINRA as a General Securities Representative through his association with Wells Fargo until March 12, 2018.

5. On March 12, 2018, Wells Fargo filed a Uniform Termination Notice for Securities Industry Registration terminating Oakes’s employment as of February 15, 2018 “for making multiple cash deposits into his personal [b]ank account in amounts under \$10,000.”

6. On March 8, 2018, Oakes associated with another FINRA member, where he remains registered as a General Securities Representative and Operations Professional. Oakes is subject to FINRA’s jurisdiction pursuant to Article V of FINRA’s By-Laws because he is registered with FINRA and associated with a FINRA member firm.

CAUSE OF ACTION Structuring Cash Deposits and Withdrawals (Violation of FINRA Rule 2010)

7. The Department of Enforcement realleges and incorporates by reference paragraphs 1 – 6 above.

8. 31 C.F.R. § 1010.100(xx) defines structuring as acting alone or in conjunction with, or on behalf of, other persons to conduct or attempt to conduct one or more transactions in currency, in any amount, at one or more financial institutions, on one or more days, in any manner, for the purpose of evading reporting requirements of Title 31. The regulations further provide that the phrase “in any manner” includes the breaking down of a single sum of currency

exceeding \$10,000 into smaller sums at or below \$10,000, as well as conducting a series of currency transactions at or below \$10,000.

9. 31 C.F.R. § 1010.311 requires financial institutions – including banks – to file Currency Transaction Reports (“CTR”) for currency transactions in excess of \$10,000.

10. 31 C.F.R. § 1010.314 provides that no person shall, for the purpose of evading the reporting requirements under the regulations, (1) cause or attempt to cause a domestic financial institution to fail to file a report required by the regulations, (2) cause or attempt to cause a domestic financial institution to fail to file a report required by the regulations containing a material omission or misstatement of fact, or (3) structure, assist in structuring, or attempt to structure or assist in structuring any transaction with one or more domestic financial institutions.

11. Similarly, 31 U.S.C. § 5324(a) states that no person shall, for the purpose of evading federal reporting requirements, (1) cause or attempt to cause a domestic financial institution to fail to file a required transaction report, (2) cause or attempt to cause a domestic financial institution to file a required transaction report containing a material omission or misstatement of fact, or (3) structure or assist in structuring, any transaction with one or more domestic financial institutions, or attempt to do so.

12. The Firm’s written policies and procedures in effect during Oakes’s employment (i) required that Wells Fargo employees conduct themselves in an honest, ethical and legal manner and in accordance with federal laws, rules, and regulations, including the Bank Secrecy Act (“BSA”), 31 U.S.C. 5311 *et seq.*; and (ii) prohibited Wells Fargo employees from attempting to avoid a CTR filing by structuring, assisting in structuring, attempting to structure, or attempting to assist in structuring any transaction.

13. As part of his annual training requirements, Oakes was required to complete Wells Fargo mandated training modules entitled “BSA-AML-OFAC Training 2015-2016,” “Financial Crimes Awareness 2016-2017,” and “Financial Crimes Awareness 2017-2018”(“AML training modules”).

14. Oakes completed the AML training modules on June 15, 2015, October 3, 2016, and September 19, 2017. Each training module included, in relevant part, that (i) BSA regulations require most financial institutions, including Wells Fargo, to file CTRs when currency transactions totaling more than \$10,000 are conducted on the same day, by, through, or to the financial institution; (ii) the CTR must identify the individuals who are party to the transaction(s); and (iii) multiple currency transactions by or on behalf of the same individual or entity that exceed \$10,000 on the same business day are aggregated into a single CTR.

15. Oakes was aware of the currency reporting requirements for domestic financial institutions during the Relevant Period.

16. From August 1 through August 4, 2016, Oakes withdrew a total of \$21,500 cash from his personal Wells Fargo checking account by making four separate withdrawals in amounts under \$10,000. Specifically, Oakes made the following withdrawals from his personal Wells Fargo checking account:

- a. \$5,000 cash on August 1, 2016, in the Wells Fargo branch located at 5968 West Parker Road in Plano, Texas;
- b. \$5,000 cash on August 2, 2016, in the Wells Fargo branch located at 4851 Legacy Drive in Frisco, Texas (the “Starwood Branch”);
- c. \$5,000 cash on August 3, 2016, in the Wells Fargo branch located at 4384 Rodeo Road in Santa Fe, New Mexico; and

- d. \$6,500 cash on August 4, 2016, in the Wells Fargo branch located at 3 West Gutierrez Street in Santa Fe, New Mexico.

17. On August 23, 2017, Oakes withdrew a total of \$13,000 cash from his personal Wells Fargo checking account by making two separate same-day withdrawals in amounts under \$10,000. Specifically, Oakes made the following withdrawals from his personal Wells Fargo checking account:

- a. \$6,500 cash withdrawal on August 23, 2017, initiated at 12:07 p.m. in the Wells Fargo branch located at the 2000 South Washington Street in Amarillo, Texas; and
- b. \$6,500 cash withdrawal on August 23, 2017, initiated at 12:34 p.m. in the Wells Fargo branch located at 4140 South Coulter in Amarillo, Texas.

18. Between December 27 and 29, 2017, Oakes deposited a total of \$27,000 cash into his personal Wells Fargo checking account by making three separate deposits in amounts under \$10,000. Specifically, Oakes made the following deposits into his personal Wells Fargo checking account:

- a. \$9,000 cash on December 27, 2017, at the Wells Fargo branch located at 9021 West University Drive in McKinney, Texas (the "McKinney Branch");
- b. \$9,000 cash on December 28, 2017, at the McKinney Branch; and
- c. \$9,000 cash on December 29, 2017, at the Starwood Branch.

19. At the time of the first deposit on December 27, 2017, Oakes had possession of the entire \$27,000 in cash described in Paragraph 18.

20. Oakes intentionally structured the three cash deposits and six cash withdrawals described above in an attempt to evade the reporting requirements of 31 U.S.C. § 5324(a) and 31

C.F.R. § 1010 in that he acted with the purpose of preventing the bank from filing, and intended to cause the bank to fail to file, a CTR reporting a currency transaction in excess of \$10,000.

21. Structuring violates FINRA Rule 2010 because it is inconsistent with the high standards of commercial honor and just and equitable principles of trade, which members of the securities industry are bound to observe.

22. By reason of the forgoing conduct, Oakes violated FINRA Rule 2010.

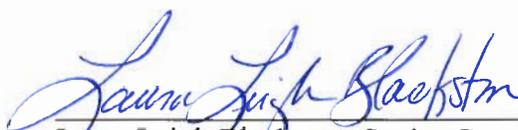
RELIEF REQUESTED

WHEREFORE, the Department of Enforcement respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Respondent committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed; and
- C. order that Respondent bears such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: March 11, 2020



Laura Leigh Blackston, Senior Counsel
FINRA Department of Enforcement
1100 Poydras Street, Suite 850
New Orleans, Louisiana 70163-1108
Phone: (504) 412-2408
Facsimile: (202) 721-6525
Email: laura.blackston@finra.org

Daniel Cristol, Counsel
FINRA Department of Enforcement
5200 Town Center Circle
Tower 1, Suite 200,
Boca Raton, Florida 33486
Phone: (561) 443-8039
Facsimile: (202) 721-7585
Email: daniel.cristol@finra.org

Penelope Brobst Blackwell, Senior Director
FINRA Department of Enforcement
12801 N. Central Expressway, Suite 1050
Dallas, Texas 75243
Phone: (972) 716-7637
Facsimile: 972-716-7646
Email: penny.blackwell@finra.org

David B. Klafter, Chief Counsel
FINRA Department of Enforcement
5200 Town Center Circle
Tower 1, Suite 200
Boca Raton, Florida 33486
Phone: (561) 443-8110
Facsimile: (202) 721-6556
Email: david.klafter@finra.org
Authorized House Counsel
Member of NY and NJ Bars Only