

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

STEVEN HARRIS
(CRD No. 2440292),

Respondent.

Disciplinary Proceeding
No. 2019062092401

Hearing Officer–DDM

DEFAULT DECISION

July 24, 2020

Respondent Steven Harris provided false and incomplete documents and false testimony to FINRA staff during an investigation. He also conducted an outside business activity without his firm’s approval. For this misconduct, Harris is barred from associating with any FINRA member firm in any capacity.

Appearances

For the Complainant: Kathryn M. Wilson, Esq., and Tino Lisella, Esq., Department of Enforcement, Financial Industry Regulatory Authority

For the Respondent: No appearance

DECISION

I. Introduction

The Department of Enforcement filed a Complaint against Respondent Steven Harris alleging three causes of action: (1) that he provided false and incomplete documents and information to FINRA, in violation of FINRA Rules 8210 and 2010; (2) that he provided false on-the-record (“OTR”) testimony to FINRA, in violation of FINRA Rules 8210 and 2010; and (3) that he engaged in an undisclosed outside business activity (“OBA”), in violation of FINRA Rules 3270 and 2010.

Enforcement properly served Harris with two Notices of the Complaint. Harris failed to file an Answer to the Complaint, even after he was granted an extension to do so. Enforcement therefore filed a motion for entry of default decision (“Default Motion”). In support of the

motion, Enforcement submitted a Declaration from its counsel (“Decl.”), along with exhibits. Harris did not respond to the Default Motion.

For the reasons below, I find Harris in default and grant Enforcement’s Default Motion.

II. Findings of Fact and Conclusions of Law

A. Respondent’s Background

Harris first registered with FINRA in May 2005 when he associated with a FINRA member firm as an investment company representative.¹ Between May 2005 and March 2017, Harris was registered with FINRA through his association with seven different member firms.² In August 2018, Harris became registered with FINRA through his association with Transamerica Financial Advisors, Inc. (“Transamerica”).³

Harris was associated with Transamerica until May 21, 2019, when the firm terminated his registration and filed a Uniform Termination Notice for Securities Industry Registration (“Form U5”).⁴ Transamerica disclosed in the Form U5 that it had received a complaint that Harris “had received funds from a client in relation to an investment opportunity not approved by the firm.”⁵ Harris has not been associated with a FINRA member firm since his registration with Transamerica was terminated.⁶

B. FINRA’s Jurisdiction

FINRA retains jurisdiction over Harris under Article V, Section 4(a) of FINRA’s By-Laws. Enforcement filed the Complaint within two years after the effective date of termination of his FINRA registration, and the Complaint charges him with misconduct while he was associated with Transamerica and with providing false and incomplete responses and testimony to FINRA during the two-year period after the termination of his registration.

C. Origin of the Investigation

This proceeding resulted from a complaint submitted to FINRA alleging that Harris took money from a customer to help her invest in the “cannabis and/or hemp industry,” but failed to provide her with the research and recommendations that he had agreed to provide.⁷ The customer

¹ Complaint (“Compl.”) ¶ 3; Complainant’s Exhibit (“CX-”) 1.

² Compl. ¶ 3; CX-1.

³ Compl. ¶ 3; CX-1.

⁴ Compl. ¶ 4; CX-2.

⁵ Compl. ¶ 4; CX-2, at 1.

⁶ CX-1.

⁷ Decl. ¶ 3.

(“Customer A”) further alleged that Harris did not refund the money she had paid him, and used a personal email address to communicate with her.⁸

D. Harris’s Default

Enforcement served Harris with a Notice of Complaint and Complaint in accordance with FINRA Rules 9131 and 9134. Enforcement served Harris on March 31, 2020, by first-class and certified mail to his residential address as reflected in the Central Registration Depository (“CRD Address”), as well as to an address that Harris had provided to FINRA during the investigation (“Alternate Address”).⁹ Enforcement also sent Harris a copy of the Notice of Complaint and Complaint by email.¹⁰

On the date that his Answer was due, Harris moved for an extension of time in which to respond to the Complaint. That motion was granted, and the new deadline for Harris to file an Answer or otherwise respond to the Complaint became May 28, 2020. But Harris did not file an Answer by the new deadline, and on June 3, 2020, Enforcement served him with a Second Notice of Complaint and Complaint.¹¹ Enforcement served the Second Notice and Complaint on Harris by the same methods to his CRD Address, Alternate Address, and email.¹² The Second Notice of Complaint stated that Harris needed to file an Answer or otherwise respond to the Complaint by June 22, 2020. But Harris failed to file an Answer or otherwise respond to the Complaint.

On July 1, 2020, Enforcement filed a Default Motion. Harris failed to respond to the Default Motion. Pursuant to FINRA Rules 9215(f) and 9269(a)(2), I grant the Default Motion. I find that Harris has defaulted and find the allegations in the Complaint admitted.¹³

E. Harris Violated FINRA Rules 8210 and 2010

The first two causes of action of the Complaint allege that Harris violated FINRA Rules 8210 and 2010. In the first cause of action, Enforcement alleges that (1) Harris provided false and incomplete documents and information in response to FINRA investigative requests; and (2) Harris failed to provide documents and information in response to FINRA investigative requests. In the second cause of action, Enforcement alleges that Harris provided false OTR testimony during FINRA’s investigation of his conduct.

⁸ *Id.*

⁹ Decl. ¶ 9; CX-4; CX-7.

¹⁰ Decl. ¶ 9; CX-5; CX-9.

¹¹ Decl. ¶¶ 15-16.

¹² Decl. ¶¶ 15-17; CX-10.

¹³ Harris may move to set aside the default pursuant to FINRA Rule 9269(c) upon a showing of good cause.

FINRA Rule 8210 requires persons subject to FINRA’s jurisdiction to provide information to FINRA upon request. The Rule “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.”¹⁴ The Rule is indispensable to FINRA’s ability to carry out its regulatory mandate.¹⁵ Because FINRA lacks subpoena power, it must rely on the Rule to police the activities of associated persons.¹⁶ The Rule is unequivocal in requiring an associated person to cooperate.¹⁷ An associated person violates the Rule when he fails to provide full and prompt cooperation to FINRA in response to a request for information.¹⁸ And it is a Rule violation for an associated person to provide false or misleading information, including false testimony, to FINRA during an investigation.¹⁹ Finally, a “[f]ailure to comply with FINRA Rule 8210 constitutes conduct inconsistent with just and equitable principles of trade and violates FINRA Rule 2010.”²⁰

1. Harris Provided False and Incomplete Documents and Information, and Failed to Respond to FINRA Requests (First Cause of Action)

On May 29, 2019, during its investigation into Harris’s undisclosed OBA, Harris Investment Services Corporation (“HISC”), FINRA requested certain information from Harris. FINRA requested that Harris provide financial information and bank statements for the period of January 1, 2018 through at least May 29, 2019, for all bank accounts that Harris owned or controlled.²¹ FINRA made its investigative request pursuant to FINRA Rule 8210.²²

On June 4, 2019, Harris responded to FINRA’s request, but his response was false and incomplete.²³ He did not identify two bank accounts that he owned or controlled (“Account 1,”

¹⁴ *Dep’t of Enforcement v. Vedovino*, No. 2015048362402, 2019 FINRA Discip. LEXIS 20, at *20 (NAC May 15, 2019).

¹⁵ *Dep’t of Enforcement v. Saliba*, No. 2013037522501, 2019 FINRA Discip. LEXIS 1, at *44 (NAC Jan. 8, 2019), *appeal docketed*, No. 3-18989 (SEC Feb. 6, 2019).

¹⁶ *PAZ Sec., Inc.*, Exchange Act Release No. 57656, 2008 SEC LEXIS 820, at *12 (Apr. 11, 2008).

¹⁷ *Dep’t of Enforcement v. Taboada*, No. 2012034719701, 2017 FINRA Discip. LEXIS 29, at *44 (NAC July 24, 2017).

¹⁸ *Dep’t of Enforcement v. Reifler*, No. 2016050924601, 2019 FINRA Discip. LEXIS 44, at *10 (NAC Sept. 30, 2019), *appeal docketed*, No. 3-19589 (SEC Oct. 10, 2019).

¹⁹ *Geoffrey Ortiz*, Exchange Act Release No. 58416, 2008 SEC LEXIS 2401, at *23 (Aug. 22, 2008).

²⁰ *Vedovino*, 2019 FINRA Discip. LEXIS 20, at *20-21.

²¹ Compl. ¶ 46.

²² *Id.*

²³ *Id.* ¶ 24.

the account into which Harris deposited Customer A’s checks, and “Account 2”).²⁴ Harris also did not provide bank statements for those accounts, as FINRA had requested.²⁵

He also claimed that he had another account for HISC and provided a fake summary for that account.²⁶ Harris created the fake summary for “January 1, 2018 thru May 1, 2019” by taking actual statements for Account 1 for March 2019 and April 2019, combining them into one document, redacting the account number, and overlaying summary dates over the statement dates.²⁷ He did not provide the account number for this purported HISC account, and did not include an account number on the fake account summary he created.²⁸

On August 15, 2019, FINRA sent Harris another request for information and documents pursuant to FINRA Rule 8210.²⁹ This request noted that Harris failed to provide a complete list of every account that he owned or controlled, and that he failed to provide copies of account statements and canceled checks.³⁰ Harris responded to the request on August 26, 2019.³¹ This response, too, was false and incomplete. Harris did not identify Account 1 or Account 2 and did not provide statements for those accounts.³² Instead, he provided a new list that included two additional accounts that appear to be fictitious: another account for HISC, and a personal savings account.³³ Harris did not provide account numbers for either of these accounts. But he produced fake account summaries for the personal savings account, along with the fake account summary for the purported HISC account that he had previously provided to FINRA.³⁴

FINRA sent Harris a third request for information and documents pursuant to Rule 8210 on September 16, 2019.³⁵ FINRA again sought information about Harris’s financial accounts, and copies of monthly statements for those accounts.³⁶ In response to this request, Harris again provided false and incomplete information.³⁷ For the third time, Harris did not identify

²⁴ *Id.* ¶ 24.

²⁵ *Id.*

²⁶ *Id.* ¶¶ 25-26.

²⁷ *Id.* ¶ 26.

²⁸ *Id.* ¶ 25.

²⁹ *Id.* ¶ 27.

³⁰ *Id.*

³¹ *Id.* ¶ 28.

³² *Id.*

³³ *Id.* ¶¶ 28-29.

³⁴ *Id.* ¶¶ 28-30.

³⁵ *Id.* ¶ 31.

³⁶ *Id.*

³⁷ *Id.* ¶ 32.

Account 1 or Account 2, nor did he provide statements for those accounts.³⁸ Instead, Harris identified accounts that appear to be fictitious, and reproduced the fake account summaries he had already produced.³⁹

In summary, Harris never listed Account 1 or Account 2 in response to three FINRA requests sent pursuant to Rule 8210.⁴⁰ In addition, he never provided copies of statements for Account 1 or Account 2, as requested by FINRA in three Rule 8210 requests.⁴¹ Instead, Harris provided to FINRA fake account summaries that he had created.⁴² Harris therefore violated FINRA Rules 8210 and 2010.

2. Harris Provided False OTR Testimony (Second Cause of Action).

On November 12, 2019, FINRA staff requested pursuant to FINRA Rule 8210 that Harris appear for OTR testimony on November 21, 2019.⁴³ During his OTR testimony, Harris falsely claimed that he did not alter any of the bank records or account summaries that he had provided to FINRA.⁴⁴ Because he provided false testimony to FINRA, Harris violated FINRA Rules 8210 and 2010.

F. Harris Violated FINRA Rules 3270 and 2010 by Failing to Disclose His OBA to Transamerica (Third Cause of Action).

The Complaint charges Harris with violating FINRA Rule 3270, which governs registered persons' outside business activities.⁴⁵ The Rule states that:

[n]o registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated, or have the reasonable expectation of compensation, from any other person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to the member, in such form as specified by the member.

FINRA Rule 3270 “addresses the securities industry’s concern about preventing harm to the investing public or a firm’s entanglement in legal difficulties based on an associated person’s

³⁸ *Id.*

³⁹ *Id.* ¶¶ 32-33.

⁴⁰ *Id.* ¶ 34.

⁴¹ *Id.* ¶ 35.

⁴² *Id.*

⁴³ *Id.* ¶ 36.

⁴⁴ *Id.* ¶¶ 38-39.

⁴⁵ *Dep’t of Enforcement v. Seol*, No. 2014039839101, 2019 FINRA Discip. LEXIS 9, at *37 (NAC Mar. 5, 2019).

unmonitored outside business activities.”⁴⁶ The Rule “ensures that member firms may raise objections to an associated person’s outside business activities at a meaningful time and exercise appropriate supervision.”⁴⁷ This rule is “prophylactic” and “designed to assure that an employee engages in conduct consistent with his duties to his employer and its clients.”⁴⁸ Thus, the Rule “is intentionally broad [and requires] registered persons ‘to report any kind of business activity engaged in away from their firms.’”⁴⁹ A showing of intent is not needed to establish a violation of the rule.⁵⁰

Registered persons must make the required notification when they take steps to begin a business activity unrelated to their relationship with their firm.⁵¹ The written disclosure must be “fulsome,”⁵² as it is important to member firms’ discharge of their regulatory obligations under FINRA Rule 3270, Supplementary Material .01. This provision requires member firms to

⁴⁶ *Dep’t of Enforcement v. Connors*, No. 2012033362101, 2017 FINRA Discip. LEXIS 2, at *32 (NAC Jan. 10, 2017); see also *Joseph Abbondante*, 58 S.E.C. 1082, 1108 (2006) (referencing NASD Rule 3030, predecessor to FINRA Rule 3270, and finding that along with protecting the investing public, the rule enables firms to avoid “entanglement in legal difficulties based on an associated person’s unmonitored outside business activities”), *aff’d*, 209 F. App’x 6 (2d Cir. 2006).

⁴⁷ *Bernard G. McGee*, Exchange Act Release No. 80314, 2017 SEC LEXIS 987, at *36 (Mar. 27, 2017), *petition for review denied*, 733 F. App’x 571 (2d Cir. 2018); see also *Blair C. Mielke*, Exchange Act Release No. 75981, 2015 SEC LEXIS 3927, at *45 (Sept. 24, 2015).

⁴⁸ *Wanda P. Sears*, Exchange Act Release No. 58075, 2008 SEC LEXIS 1521, at *26 (July 1, 2008); *Dep’t of Enforcement v. Giblen*, No. 2011025957702, 2014 FINRA Discip. LEXIS 39, at *26–27 (NAC Dec. 10, 2014) (“When adhered to, [the OBA rule] is prophylactic and allows FINRA [member] firms to oversee their employees’ outside business activities, or to prohibit the activities altogether.”).

⁴⁹ *Dep’t of Enforcement v. Connors*, No. 2012033362101, 2016 FINRA Discip. 1, at *24 (OHO Jan. 15, 2016) (quoting NASD Notice to Members 01-79, 2001 NASD LEXIS 85, at *7 (Dec. 2001)) *aff’d*, 2017 FINRA Discip. LEXIS 2 (NAC Jan. 10, 2017); see also *Dep’t of Enforcement v. Akindemowo*, No. 2011029619301, 2015 FINRA Discip. LEXIS 58, at *39 (NAC Dec. 29, 2015) (FINRA Rule 3270 “extend[s] to all outside business activity”), *aff’d*, Exchange Act Release No. 79007, 2016 SEC LEXIS 3769 (Sept. 30, 2016).

⁵⁰ *Dep’t of Enforcement v. McGuire*, No. 20110273503, 2015 FINRA Discip. LEXIS 53, at *39 (NAC Dec. 17, 2015).

⁵¹ *Dep’t of Enforcement v. Mathieson*, No. 2014040876001, 2018 FINRA Discip. LEXIS 9, at *16 (NAC Mar. 19, 2018); accord *Dep’t of Enforcement v. Schneider*, No. C10030088, 2005 NASD Discip. LEXIS 6, at *13–14 (NAC Dec. 7, 2005).

⁵² *Akindemowo*, 2015 FINRA Discip. LEXIS 58, at *44.

consider whether a proposed outside business activity will “interfere with or otherwise compromise the registered person’s responsibilities to the member and/or the member’s customers” or “be viewed by customers or the public as part of the member’s business” and then “evaluate the advisability of imposing specific conditions or limitations on a registered person’s outside business activity.”⁵³

The Complaint also charges that by violating FINRA Rule 3270, Harris violated FINRA Rule 2010, which provides that “[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.” This rule also applies to persons associated with a member firm.⁵⁴ A violation of another FINRA rule constitutes a violation of FINRA Rule 2010.⁵⁵ And, specifically, “[a] violation of FINRA Rule 3270 constitutes a violation of FINRA Rule 2010.”⁵⁶

In or around February 2018, Harris sought to register with FINRA through Transamerica, and, as Transamerica’s written supervisory procedures required,⁵⁷ sought approval from the firm to conduct an OBA through HISC.⁵⁸ Transamerica did not approve Harris’s OBA.⁵⁹ On the contrary, the firm asked Harris to confirm that he had dissolved HISC and was no longer conducting business through it.⁶⁰ So Harris represented to Transamerica that he had dissolved HISC and did not conduct business through it.⁶¹ This representation was false, and Harris continued to conduct business through HISC.⁶² Harris never disclosed to Transamerica that he was conducting business through HISC, including after he associated with Transamerica as a FINRA-registered investment company representative in August 2018.⁶³

⁵³ *Connors*, 2017 FINRA Discip. LEXIS 2, at *32–33 (citing FINRA Rule 3270, Supplementary Material .01; Order Granting Accelerated Approval of a Proposed Rule Change, SEC Release No. 62762, 2010 SEC LEXIS 2768, at *26 (Aug. 23, 2010)) (explaining that FINRA Rule 3270 requires firms “to implement a system to assess the risk that . . . outside business activities may cause potential harm to investors and to manage these risk[s] by taking appropriate actions”).

⁵⁴ See FINRA Rule 0140, which imposes on persons associated with a member the same duties and obligations as a member under the rules.

⁵⁵ *Mielke*, 2015 SEC LEXIS 3927, at *2 n.1.

⁵⁶ *Seol*, 2019 FINRA Discip. LEXIS 9, at *37 n.20.

⁵⁷ Compl. ¶¶ 6- 7.

⁵⁸ *Id.* ¶ 6.

⁵⁹ *Id.* ¶ 8.

⁶⁰ *Id.*

⁶¹ *Id.* ¶ 9.

⁶² *Id.* ¶ 10.

⁶³ *Id.* ¶¶ 10-11.

In December 2018, Customer A sought advice from Harris about investing in securities related to the cannabis/hemp industry.⁶⁴ At a meeting on December 14, 2018, Customer A provided Harris a check for \$300 payable to HISC.⁶⁵ The check stated “Advisory Services” in the memo section.⁶⁶ On that same day, Harris deposited the \$300 check into Account 1.⁶⁷ A week later, Customer A wrote a second check payable to HISC for \$450, which again Harris deposited that same day into Account 1.⁶⁸

Between December 2018 and March 2019, Harris researched mutual funds with exposure to the cannabis/hemp industry that he could recommend to Customer A.⁶⁹ Between December 2018 and March 2019, Harris exchanged nine emails with Customer A, using two personal email accounts that he knew the Firm could not access and could not review.⁷⁰ Each of the emails related to Harris’s investment advice.⁷¹

Harris did not disclose to Transamerica in December 2018 that he had received payment from Customer A or that he had performed advisory services for Customer A.⁷² Instead, Harris disclosed to Transamerica his receipt of funds only after Customer A complained in March 2019.⁷³

In summary, between December 2018 and March 2019, while associated with Transamerica, Harris conducted an unapproved OBA through HISC.⁷⁴ He received \$750 in compensation from Customer A for providing her with investment advice outside the scope of his relationship with Transamerica.⁷⁵ His request to engage in this OBA was denied by Transamerica.⁷⁶ As a result, Harris violated FINRA Rules 3270 and 2010.

⁶⁴ *Id.* ¶ 13.

⁶⁵ *Id.* ¶ 15.

⁶⁶ *Id.*

⁶⁷ *Id.* ¶ 16.

⁶⁸ *Id.* ¶ 17.

⁶⁹ *Id.* ¶ 18.

⁷⁰ *Id.* ¶ 19.

⁷¹ *Id.* ¶ 20.

⁷² *Id.* ¶ 21.

⁷³ *Id.*

⁷⁴ *Id.* ¶ 60.

⁷⁵ *Id.*

⁷⁶ *Id.* ¶¶ 61-62.

III. Sanctions

A. Harris is Barred for his FINRA Rule 8210 Violations

Harris violated FINRA Rule 8210 by providing false and incomplete information to FINRA in response to investigative requests and by failing to respond to certain investigative requests (the first cause of action), and by providing false OTR testimony (the second cause of action). “The failure to respond truthfully to a FINRA Rule 8210 request is as serious and harmful as a complete failure to respond, and comparable sanctions are appropriate.”⁷⁷ FINRA’s Sanction Guidelines (“Guidelines”) recommend that, for a complete failure to respond, a bar in all capacities should be standard.⁷⁸ The only principal consideration for a failure to respond truthfully is the importance of the requested information to FINRA.⁷⁹

Even if Harris’s conduct could be construed as a partial but incomplete response, the Guidelines provide that a bar is the standard sanction unless the respondent can show that he substantially complied with all aspects of the request.⁸⁰ The Guidelines set forth certain principal considerations in determining sanctions for a partial but incomplete response: (1) the importance of the information requested but not provided (as viewed from FINRA’s perspective), and whether the information provided was relevant and responsive to the request; (2) the number of requests made, the time the respondent took to respond, and the degree of regulatory pressure required to obtain a response; and (3) whether the respondent thoroughly explained valid reasons(s) for deficiencies in the response.⁸¹

The principal considerations here show that a bar is appropriate for each of the first two causes of action. The financial information sought by FINRA was vital to its investigation into Harris’s OBA. FINRA made three requests over nearly four months to obtain the information. There is no valid reason for Harris to submit falsified documents in response to the requests, or to provide false testimony. I can find no mitigating factors here.

For each of the first and second causes of action, the appropriate sanction is a bar in all capacities.

B. Harris’s Violation of FINRA Rule 3270 Merits a One-Year Suspension

For conducting an OBA in violation of FINRA Rule 3270, the Guidelines suggest a fine of \$2,500 to \$77,000 and a suspension in any or all capacities from ten business days to three

⁷⁷ *Dep’t of Enforcement v. Harari*, No. 2011025899601, 2015 FINRA Discip. LEXIS 2, at *31 (NAC Mar. 9, 2015).

⁷⁸ FINRA Sanction Guidelines at 33 (2019), www.finra.org/sanctionguidelines.

⁷⁹ *Id.*

⁸⁰ *Id.*

⁸¹ *Id.*

months.⁸² When the outside business activities involve aggravating factors, the Guidelines suggest a longer suspension of up to one year.⁸³ Principal considerations for violations of FINRA Rule 3270 include: (1) whether the OBA involved firm customers; (2) whether the OBA resulted directly or indirectly in injury to other parties, including the investing public, and the nature and extent of the injury; (3) the duration of the outside activity, the number of customers, and the dollar volume of sales; (4) whether the respondent marketed and sold the product or service in a way that might have created the impression that his member firm had approved the product or service; (5) whether the respondent misled his member firm about the existence of the outside activity or concealed the activity from the firm; and (6) the importance of the respondent's role in the OBA.⁸⁴

While Harris's OBA involved only one person and \$750, other considerations work against him. Transamerica denied his request for his OBA.⁸⁵ So before he joined the firm, Harris misled Transamerica by telling the firm that he had dissolved HISC and no longer conducted business through it.⁸⁶ He used personal email accounts to communicate with Customer A, knowing that the Firm had no access to those accounts and could not review his communications through them.⁸⁷ In fact, he did not disclose to Transamerica that he had received compensation from Customer A for investment advisory services until Customer A filed her complaint with FINRA.⁸⁸ Finally, his role in his eponymous OBA, an investment advisory firm registered in Illinois, was important.⁸⁹

Given these aggravating factors, an appropriate sanction for Harris's violations of FINRA Rules 3270 and 2010 is a one-year suspension and \$5,000 fine. Because of the bar imposed against Harris for his violations of FINRA Rule 8210, however, this one-year suspension and fine are not imposed. In addition, because Transamerica repaid Customer A the \$750 that she provided to Harris, Enforcement is not seeking restitution.⁹⁰

IV. Order

Respondent Steven Harris provided false and incomplete responses to FINRA investigative requests and failed to respond to FINRA investigative requests, in violation of FINRA Rules 8210 and 2010, as alleged in the first cause of action. Harris also provided false

⁸² Guidelines at 13.

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ Compl. ¶ 8.

⁸⁶ *Id.* ¶ 9.

⁸⁷ *Id.* ¶ 19.

⁸⁸ *Id.* ¶¶ 21-22.

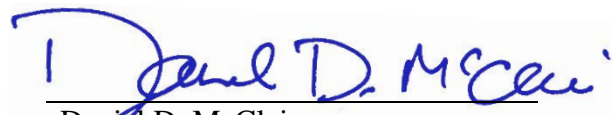
⁸⁹ *Id.* ¶ 6.

⁹⁰ Decl. ¶ 19; CX-2, at 4. Further, there is insufficient evidence in the record to support an order of disgorgement.

OTR testimony, in violation of FINRA Rules 8210 and 2010, as alleged in the second cause of action. For each violation, I bar Harris from associating with any FINRA member in any capacity.

Harris also conducted an undisclosed OBA, in violation of FINRA Rules 3270 and 2010, as alleged in the third cause of action. For these violations, I would impose sanctions of a one-year suspension and \$5,000 fine. These sanctions are not imposed, however, given the bar imposed for the violations as alleged in the first and second causes of action.

The bar shall become effective immediately if this Default Decision becomes the final disciplinary action of FINRA.



Daniel D. McClain
Hearing Officer

Copies to:

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