

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

LELAND PATIN
(CRD No. 1466597),

Respondent.

Disciplinary Proceeding
No. 2006006789001

Hearing Officer – AWH

DEFAULT DECISION

June 2, 2008

Respondent is barred from associating with any FINRA member in any capacity for failing to appear and provide testimony, in violation of NASD Rules 8210 and 2110.

Appearances

George C. McGuigan, Jr., Esq., for the Department of Enforcement.

No appearance by or for Leland Patin.

DECISION

I. Background

On February 7, 2008, the Department of Enforcement filed the Complaint in this proceeding, alleging that Respondent Leland Patin failed to appear and provide testimony, in violation of NASD Rules 8210 and 2110. On February 11, 2008, Enforcement received a letter from Patin, stating that, “[d]ue to a criminal proceeding,” he was exercising his Constitutional right “and taking the 5th amendment.” Enforcement forwarded the letter to the Office of Hearing Officers. The letter was deemed to be an Answer to the Complaint, and the Hearing Officer issued an Order setting a pre-hearing conference by telephone in order to determine how Patin intended to proceed in this

matter. The Initial Pre-Hearing Conference was held on March 3, 2008. Patin failed to appear at the Initial Pre-Hearing Conference. As a result, on April 2, 2008, Enforcement filed a motion for a default decision. Patin did not respond to that motion.

II. Respondent's Default

By failing to appear at the Initial Pre-Hearing Conference, Patin defaulted. Pursuant to NASD Procedural Rules 9241(f) and 9269, Enforcement's motion for a default decision will be granted, and the allegations in the Complaint, which is attached to this decision, will be deemed admitted.¹

III. Jurisdiction

Patin was first registered with FINRA as an Investment Company and Variable Contracts Products Representative through a member firm in July 1994. He was registered as a General Securities Representative with member firm TMT Financial Services, Inc. from February 9, 2005, until February 16, 2006, when that firm terminated his registration after he was permitted to resign. Since that time, he has not been registered or associated with any FINRA member. The Complaint charges him with failing to respond to FINRA staff requests for his appearance for testimony during the two-year period following termination of his last registration, and the Complaint was filed during the two-year period following termination of his last registration. Accordingly, he remains subject to FINRA jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of the FINRA By-Laws.

¹ The factual determinations in this decision are based on the admitted allegations in the Complaint, the Declaration Supporting Motion for Entry of Default Decision, and the exhibits attached thereto.

IV. Violations

During its investigation of Patin's alleged unsuitable and fraudulent sales of investments in a company that leased credit and debit card terminals, FINRA staff sought to obtain information from him concerning his participation in two customers' investments of approximately \$350,000 in the leasing company. The Complaint alleges that on November 28, 2007, and December 19, 2007, FINRA staff sent Patin, pursuant to Rule 8210, requests that he appear for an on-the-record interview at FINRA's offices to provide information with respect to the subject matter of its investigation.

FINRA staff sent the first request to him by express and certified mail to his CRD address and to one other address the staff obtained from the Texas State Securities Board. The staff sent the second request to him by regular and certified mail to those same two addresses. Because the requests were sent to him at his CRD address and the most recent address known to the staff, pursuant to NASD Rule 8210(d), he is deemed to have received them. Furthermore, he had actual notice of those requests because he wrote the staff to reschedule the first date for his testimony, and he left the staff a voice mail message in which he confirmed that he would appear for his testimony that was rescheduled for January 4, 2008. By failing to appear for testimony as requested, Patin violated NASD Rules 8210 and 2110.

V. Sanctions

Under the Sanction Guidelines a bar is standard for failure to respond in any manner to requests for information. *Sanction Guidelines*, at 35. Here Patin failed to provide any testimony and prevented FINRA from gaining a clear picture of the nature

and breadth of his alleged misconduct. There is no evidence of any mitigating circumstance that would justify a sanction less than a bar.

VI. Conclusion

Leland Patin is barred from associating with any FINRA member firm in any capacity for failing to respond to requests for his appearance to provide testimony, in violation of NASD Rules 8210 and 2110. The bar will become effective immediately if this decision becomes FINRA's final disciplinary action.

SO ORDERED.


Alan W. Heifetz
Hearing Officer

Copies to:

Leland Patin (*via first class mail & Overnight Courier*)

George C. McGuigan, Jr., Esq. (*via first class & electronic mail*)

Mark P. Dauer, Esq. (*via first class & electronic mail*)

David R. Sonnenberg, Esq. (*via first class & electronic mail*)

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

COMPLAINANT,

v.

Leland Patin
General Securities Representative
CRD No. 1466597

RESPONDENT

**DISCIPLINARY PROCEEDING
No. 2006006789001**

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. During 2007, FINRA staff were investigating alleged fraudulent and unsuitable sales of securities by Respondent Leland Anthony Patin involving two public customers. In connection with that investigation, FINRA staff sent letters to Patin, at his last known home address, and one other address obtained from the Texas State Securities Board (TSSB), requesting that he appear in the district office and provide testimony, under oath, concerning the matters under investigation. Patin failed to appear and provide testimony.

JURISDICTION

2. Respondent Leland Anthony Patin entered the securities industry in July 1994 as an Investment Company and Variable Contracts Products Representative with a

FINRA member firm From July 1994 to February 2005, he registered serially with five different FINRA member firms. In February 2005, he registered with member firm TMT Financial Services, Inc. and his association with that firm was terminated as of February 9, 2006. Since that time he has not been associated with any other FINRA member firm.

3. Although Patin is not currently registered, he remains subject to the jurisdiction of FINRA until February 8, 2008, pursuant to Article V, Section 4 of FINRA's By-Laws, which provides for a two-year period of retained jurisdiction over formerly registered persons.

CAUSE OF ACTION

(Patin Failed to Appear for Testimony (Rules 2110 and 8210))

4. The above-referenced paragraphs 1 – 3 are incorporated herein by reference.
5. By letter dated November 28, 2007, FINRA staff requested, pursuant to NASD Procedural Rule 8210, that Patin appear in the District No. 6 office on December 11, 2007, and provide testimony in connection with an on-going FINRA investigation. The staff's investigation concerned Patin's alleged unsuitable and fraudulent sales of an investment in a company that leased credit and debit card terminals. Two public customers had provided evidence to FINRA staff which showed that, based on a recommendation from Patin, they had invested a total of approximately \$350,000 in the leasing company and had lost the majority of their funds. Based on this evidence, the staff determined that it was appropriate to request testimony from Patin.

6. The November 28th letter was sent by express and certified mail to Patin at his CRD home address and to one other address the staff had obtained from the Texas State Securities Board, which was [REDACTED]
7. Both mailings of the November 28th letter to Patin at his CRD home address were returned to the district office marked "not deliverable as addressed, unable to forward." The certified mailing to Patin at the Elmhurst Place address was returned to the district office marked "unclaimed"; however, the express mailing to Patin at this address was delivered to him, and Patin responded to the staff's letter. In a letter dated December 1, 2007 (received by the staff on December 3, 2007), Patin stated that he had a conflict with his testimony date of December 11, 2007. In the same letter, Patin requested an additional 30 days in which to appear.
8. By letter dated December 19, 2007, FINRA staff requested, pursuant to NASD Procedural Rule 8210, that Patin appear in the district office on January 4, 2008, and provide testimony in connection with the staff's on-going investigation. In this letter, the staff indicated it had decided to grant Patin's request for a 30 day extension as measured from December 3, 2007, the date that the staff had received his letter. Accordingly, the staff rescheduled Patin's testimony date to January 4, 2008.
9. The December 19th letter was sent by regular and certified mail to Patin at his CRD home address and the Elmhurst Place address which, as noted above, FINRA staff had obtained from the TSSB. Both the regular mailing and the certified mailing of the December 19th letter to Patin at his CRD home address were returned to the district office marked "attempted not known, unable to

forward.” The certified mailing to Patin at the Elmhurst Place address was also returned to the district office and it was marked “unclaimed.” The regular mailing to the Elmhurst Place address was never returned.

10. Patin received FINRA staff’s December 19th letter because on December 26, 2007, he left a voice mail message for the staff in which he confirmed his appearance for his testimony on January 4, 2008.
11. Despite confirming that he would appear on his scheduled testimony date, Patin failed to appear for testimony.
12. Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 and NASD Procedural Rule 8210 by Respondent Leland Patin.

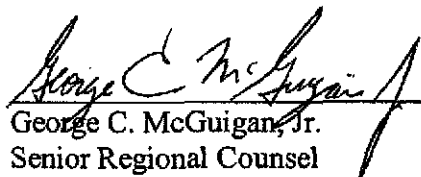
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed.
- B. order that the Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with NASD Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: February 7, 2008



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