

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

RAQUEL MAE S. SANCHEZ
(CRD No. 4795168),

Respondent.

Disciplinary Proceeding
No. 2007007253802

DEFAULT DECISION

Hearing Officer – SW

DATE: May 14, 2008

Respondent was barred from associating with any FINRA member firm in any capacity for failing to appear for on-the-record interviews requested pursuant to Rule 8210, in violation of NASD Conduct Rule 2110 and Procedural Rule 8210.

Appearances

Lara C. Thyagarajan, Esq., Senior Regional Counsel, New York, NY, for the
Department of Enforcement.

No appearance by or for Raquel Mae S. Sanchez.

DECISION

I. Introduction

On December 21, 2007, the FINRA Department of Enforcement (“Enforcement”) filed the attached one-count Complaint against Respondent Raquel Mae S. Sanchez (“Respondent”), alleging that Respondent failed to appear for three on-the-record interviews, in violation of NASD Conduct Rule 2110 and Procedural Rule 8210.

On March 17, 2008, Enforcement filed a Motion for Entry of a Default Decision (“Motion”), supported by the declaration of Lara C. Thyagarajan, Esq., Senior Regional

Counsel in FINRA's New York, NY office, and by 28 exhibits.¹ For the reasons set forth below, Enforcement's Motion is granted.

II. Respondent's Default

On December 21, 2007, Enforcement served the Complaint and Notice of Complaint on Respondent, via certified and first class mail, at the two addresses reflected in FINRA's Central Registration Depository (the "New York CRD address" and the "Florida CRD address," collectively the "CRD addresses") and at Respondent's work address where she was employed by Max International Broker/Dealer Corp. ("Max International") until December 21, 2007 ("Work address"). (CX-1, pp. 1-2; CX-3, p. 13; DECL at ¶¶ 6, 8-10). Respondent did not answer the Complaint. (DECL at ¶ 18).

Thereafter, on January 22, 2008, Enforcement served the Complaint and the Second Notice of Complaint, via certified and first class mail, at Respondent's CRD addresses.² (CX-7, p. 2; DECL at ¶ 19). Respondent has not filed an answer to date. (DECL at ¶ 24).

The Hearing Officer finds that Enforcement complied with Rule 9134(b)(1) by sending the mailings to Respondent's CRD addresses.³ Accordingly, the Hearing Officer finds that Respondent received effective constructive notice of this proceeding and defaulted by failing to answer the Complaint.⁴

¹ Hereinafter, the statements in the Thyagarajan Declaration will be designated as "DECL at ¶" and Enforcement's exhibits will be designated as "CX-" with the appropriate page number.

² Courtesy copies of the Complaint, the Notice of Complaint, and Second Notice of Complaint were mailed to Respondent's attorney. (DECL at ¶¶ 10, 23).

³ See *Dep't of Enforcement v. Verdiner*, No. CAF020004, 2003 NASD Discip. LEXIS 42, at * 5 n.1 (NAC Dec. 9, 2003) (finding that respondent received constructive notice when the complaint was mailed to respondent's CRD address).

⁴ The following Findings of Fact and Conclusions of Law incorporate the allegations in the attached Complaint, pursuant to Procedural Rules 9215(f) and 9269, and *NASD Notice to Members* 99-77.

III. Findings of Fact and Conclusions of Law

A. Jurisdiction

At the time that the Complaint was filed, Respondent was registered as a general securities representative and general securities principal with FINRA member Max International. (Complaint at ¶¶ 3-4; CX-1, p. 2; DECL at ¶¶ 5-6). Thus, FINRA has jurisdiction over Respondent.

B. Respondent Failed to Appear for Three On-the-Record Interviews

In connection with an ongoing examination of Max International's sales practices, Max International provided the FINRA staff with audio recordings of telephone conversations between Respondent and her customers discussing at least one penny stock. (DECL at ¶¶ 25-26). The FINRA staff sought to obtain information from Respondent concerning, *inter alia*, the penny stock discussed in the audio recordings, the statements that Respondent made on the recordings, and other matters with respect to Max International. (DECL at ¶ 26).

In a letter dated September 28, 2007, the FINRA staff confirmed that Respondent was to appear for an on-the-record interview on October 8, 2007, pursuant to Rule 8210.⁵ (Complaint at ¶ 15). The September 28, 2007 request was sent by certified mail to Respondent's New York CRD address and her Work address. (Complaint at ¶ 16). Respondent did not appear for her scheduled on-the-record interview on October 8, 2007, and no adjournment was granted.⁶ (Complaint at ¶ 19).

⁵ Previously, at the request of Respondent's counsel, the FINRA staff agreed to reschedule Respondent's on-the-record interview from September 6, 2007 to October 2, 2007, and then from October 2, 2007 to October 8, 2007. (Complaint at ¶¶ 6, 10, 11, 14; DECL at ¶ 27).

⁶ On October 5, 2007, Respondent's attorney informed the FINRA staff that Respondent potentially would not appear on October 8, 2007, because of illness. (Complaint at ¶ 18).

In a letter dated October 12, 2007, sent to Respondent by first class and certified mail at her New York CRD address and her Work address, the FINRA staff requested that Respondent appear for an on-the-record interview on October 26, 2007, pursuant to Rule 8210.⁷ (Complaint at ¶¶ 20-21). Respondent failed to appear on October 26, 2007, and no adjournment was granted. (Complaint at ¶ 23).

In a letter dated October 26, 2007, the FINRA staff requested that, pursuant to Rule 8210, Respondent appear for an on-the-record interview on November 5, 2007 or November 6, 2007. (Complaint at ¶ 24). The letter requested that Respondent's attorney notify the FINRA staff by November 1, 2007, which date Respondent had selected to appear. (*Id.*). The letter further stated that, if the attorney failed to notify the FINRA staff by November 1, 2007, the on-the-record interview would be held on November 6, 2007. (*Id.*). The October 26, 2007 request was sent by first class and certified mail to Respondent's New York CRD address, her Florida CRD address, which had been added to CRD on September 25, 2007, and her Work address.⁸ (Complaint at ¶¶ 25-26). Again, Respondent failed to appear on either November 5, 2007, or November 6, 2007, and no adjournment was granted. (Complaint at ¶ 29).

Respondent is deemed to have received the requests that were sent to her CRD addresses pursuant to NASD Procedural Rule 8210(d). Failure to comply with Rule 8210 requests for on-the-record interviews is a serious violation because it subverts FINRA's

⁷ Courtesy copies of the September 28, 2007 and October 12, 2007 requests were sent to the Chief Compliance Officer at Max International and to Respondent's counsel. (Complaint at ¶¶ 16, 21).

⁸ Copies of the October 26, 2007 request were sent to Respondent's attorney via facsimile, certified mail, and electronic mail. (Complaint at ¶ 25). A courtesy copy was also sent to the Chief Compliance Officer at Max International. (Complaint at ¶ 27).

ability to perform its regulatory responsibilities.⁹

Based on the allegations deemed admitted, the Hearing Officer finds that Respondent violated NASD Conduct Rule 2110 and Procedural Rule 8210 by failing to appear for three requested on-the-record interviews, as alleged in the Complaint.

IV. Sanctions

For Respondent's failure to appear for three on-the-record interviews, Enforcement recommended that she be barred. The FINRA Sanction Guidelines provide that a bar should be standard when an individual respondent does not respond in any manner to a request issued pursuant to Rule 8210.¹⁰ The record does not indicate the existence of any mitigating factors that would warrant a lesser sanction.

Accordingly, the Hearing Officer accepts Enforcement's recommendation and bars Respondent from associating with any FINRA member firm in any capacity for violating NASD Conduct Rule 2110 and Procedural Rule 8210 by failing to appear for three on-the-record interviews scheduled pursuant to Rule 8210.

V. Order

Respondent Raquel Mae S. Sanchez is barred from association with any FINRA member firm in any capacity for failing to appear for three on-the-record interviews.

⁹ See, e.g., *Richard J. Rouse*, Exch. Act Rel. No. 32,685, 1993 SEC LEXIS 1831, at *7 (1993); *Joseph G. Chiulli*, Exch. Act Rel. No. 42,359, 2000 SEC LEXIS 112, at *16 (Jan. 28, 2000) (noting that Rule 8210 provides a means for FINRA to conduct its investigations effectively, and emphasizing that FINRA members and associated persons must fully cooperate with requests for information).

¹⁰ *FINRA Sanction Guidelines*, p. 35 (2007), available at <http://www.finra.org/web/groups/enforcement/documents/enforcement/p011038.pdf>.

If this Decision becomes the final disciplinary action of FINRA, the bar will become effective immediately upon this Default Decision becoming the final disciplinary action of FINRA.


Sharon Witherspoon
Hearing Officer

Dated: Washington, DC
May 14, 2008

Copies to:

Raquel Mae S. Sanchez (*via FedEx and first class mail*)
Lara C. Thyagarajan, Esq. (*via electronic and first class mail*)
Mark P. Dauer, Esq. (*via electronic and first class mail*)
David R. Sonnenberg, Esq. (*via electronic and first class mail*)

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

Department of Enforcement,

Complainant,

v.

Raquel Sanchez
CRD No. 4795168

Respondent.

DISCIPLINARY PROCEEDING
No. 2007007253802

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. This complaint arises from Respondent Raquel Sanchez's failure to appear for an on-the-record interview ("OTR") requested by the staff of FINRA's District No. 10 office (the "Staff"), pursuant to, and in accordance with Procedural Rule 8210.
2. The Staff first requested, in August, 2007, that Sanchez appear for an OTR on September 6, 2007. Sanchez, through her counsel, requested that her OTR be rescheduled. The Staff made four subsequent attempts to reschedule Sanchez's OTR between September 6, 2007 and November 6, 2007. Sanchez failed to appear on any of the requested dates. Accordingly, Sanchez violated Procedural Rule 8210 and Conduct Rule 2110.

JURISDICTION

3. Sanchez first became registered as a General Securities Representative ("GSR") on or about May 7, 2004 through her association with FINRA member firm, Max International Broker Dealer (BD No. 46032) ("Max"). Sanchez later became registered as a General Securities Principal ("GSP") on or about April 11, 2007, also through her association with Max.
4. Sanchez is currently registered with FINRA through her association with Max. Accordingly, FINRA's jurisdiction over Sanchez is ongoing.

SOLE CAUSE OF ACTION (Failure to Respond (Rule 8210 and Rule 2110))

5. The Department realleges and incorporates by reference paragraphs 1 through 4 above.

First Request

6. By letter dated July 31, 2007, the Staff requested, pursuant to Procedural Rule 8210, that Sanchez appear for an OTR at FINRA's District 10 offices at 10:00 AM on Thursday, September 6, 2007 (the "First Request").
7. The First Request was sent by certified mail to Sanchez's residential address as reflected in the records of the Central Registration Depository ("CRD"), [REDACTED] (the "CRD Address"), as well as to Sanchez's work address at Max as reflected on CRD, [REDACTED] (the "Work Address").
8. A courtesy copy of the First Request also was sent to the Chief Compliance Officer at Max.

9. The letter to the CRD Address was signed for on August 7, 2007 by "Reynaldo Sanchez." The letter to the Work Address was signed for on August 1, 2007 by "Stephen O'Grady."
10. At the request of Sanchez's attorney, the OTR was rescheduled for October 2, 2007.

The Second Request

11. By Letter dated August 27, 2007, the Staff confirmed the rescheduled date and requested, pursuant to Rule 8210, that Sanchez appear at FINRA's District 10 offices at 10:00 AM on Tuesday, October 2, 2007 (the "Second Request").
12. The Second Request was sent by certified mail to Sanchez's CRD and Work Addresses. Courtesy copies of the Second Request also were sent to the Chief Compliance Officer at Max and to Sanchez's attorney.
13. The letter to the CRD Address was signed by "Marvin Sanchez" on August 30, 2007. The letter to the Work Address was signed for on August 28, 2007 by "Stephen O'Grady."
14. At the request of Sanchez's attorney, the OTR was rescheduled for October 8, 2007.

The Third Request

15. By letter dated September 28, 2007, the Staff confirmed the rescheduled date and requested, pursuant to Rule 8210, that Sanchez appear at FINRA's District 10 offices at 10:00 AM on Monday, October 8, 2007 (the "Third Request").

16. The Third Request was sent by certified mail to Sanchez's CRD and Work Addresses. Courtesy copies of the Third Request were also sent to the Chief Compliance Officer at Max and Sanchez's attorney.
17. The letter to the CRD Address was signed for by "Marvin Sanchez" on October 3, 2007. The letter to the Work Address was signed for by "Stephen O'Grady" on October 3, 2007.
18. On October 5, 2007, Sanchez's attorney informed the Staff that Sanchez potentially would not appear for her OTR on October 8, 2007, due to illness.
19. Sanchez did not appear for her OTR on October 8, 2007 and no adjournment was not granted.

Fourth Request

20. By Letter dated October 12, 2007, the Staff requested, pursuant to Rule 8210, that Sanchez appear at FINRA's District 10 offices at 10:00 AM on Tuesday, October 26, 2007 (the "Fourth Request").
21. The Fourth Request was sent by first class and certified mail to Sanchez's CRD and Work Addresses. Courtesy copies of the Fourth Request also were sent to the Chief Compliance Officer at Max and Sanchez's attorney.
22. The certified letter sent to the CRD Address was signed for, however, the signature is illegible and undated. The letter to the Work Address was signed for by "Stephen O'Grady," but is undated.
23. Sanchez failed to appear for her OTR on October 26, 2007 and no adjournment was granted.

Fifth Request

24. By letter dated October 26, 2007, to Sanchez's counsel, the Staff: (i) outlined the prior requests to Sanchez and Sanchez's failures to appear, and (ii) requested, pursuant to Rule 8210, that Sanchez appear at FINRA's District 10 offices at 10:00 AM on either Monday, November 5, 2007 or Tuesday, November 6, 2007 (the "Fifth Request"). The Fifth Request requested that Sanchez's attorney notify the Staff by November 1, 2007 of which date Sanchez had selected to appear. In the event that the Staff was not notified by November 1, 2007, the OTR would be held on November 6, 2007.
25. The Fifth Request was sent by facsimile, certified mail and electronic mail to Sanchez's attorney. Courtesy copies of the Fifth Request also were sent by first class and certified mail to Sanchez at her CRD and Work Addresses.
26. In addition, a courtesy copy of the Fifth Request was sent to Sanchez at [REDACTED] (the "2nd CRD Address"). On September 25, 2007, Sanchez's Form U-4 was amended to include this address as a second residential address.
27. A courtesy copy of the Fifth Request also was sent to the Chief Compliance Officer at Max.
28. The certified letter to Sanchez's attorney was signed for by "L. Commodore," but was undated. The certified letter to the Work Address was signed for by "Stephen O'Grady," but was undated. The certified letter to the CRD Address was signed for on October 29, 2007, however, the signature is illegible. Neither the certified

letter to the 2nd CRD Address, nor any of the first class mailings were returned to the Staff.

29. Sanchez failed to appear for her OTR on either November 5, 2007 or November 6, 2007 and no adjournment was granted.

By reason of the foregoing, Sanchez violated Rule 8210 and Conduct Rule 2110.

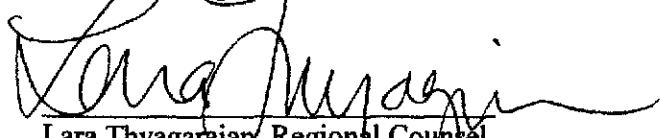
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under NASD Rule 8310(a), including monetary sanctions, be imposed; and
- 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.

Dated: December 21, 2007

**FINRA DEPARTMENT OF
ENFORCEMENT**



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