

FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

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DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

MICHAEL J. REDMON
(CRD No. 4455900),

Respondent.

REGISTRATION & DISCLOSURE

Disciplinary Proceeding
No. 2007008657201

Hearing Officer – AWH

DEFAULT DECISION

December 3, 2008

Respondent is barred from associating with any FINRA member in any capacity for failing to respond to requests for information, in violation of NASD Rules 8210 and 2110.

Appearances

Heather Hawker, Esq., for the Department of Enforcement.

No appearance by or for Michael J. Redmon.

DECISION

I. Background

On September 5, 2008, the Department of Enforcement filed the Complaint in this proceeding, alleging that Respondent Michael J. Redmon failed to respond to requests for information, in violation of NASD Rules 8210 and 2110. Respondent did not file an Answer to the Complaint.¹ On November 3, 2008, Enforcement filed a motion for a default decision. Redmon did not respond to that motion.

¹ Although the Complaint was originally filed with the Office of Hearing Officers on June 16, 2008, the Notice of Complaint contained a typographical error. Accordingly, Enforcement served Redmon with Corrected Notices of Complaint, and the Complaint was re-filed with the Office of Hearing Officers on September 5, 2008. References to the service of the Complaint in this decision refer to the Corrected Notices of Complaint and Complaint.

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II. Respondent's Default

The Department of Enforcement sent the Complaint and Corrected Notice of Complaint to Respondent on September 5, 2008, by certified and first class mail to his residential address listed in the Central Registration Depository ("CRD address"). Enforcement has no knowledge of a more recent residential address for Respondent. Both mailings were returned to FINRA, stamped "Refused." On October 7, 2008, Enforcement sent the Complaint and Corrected Second Notice of Complaint to Respondent by certified and first class mail to his most recent CRD address. Both mailings were returned, stamped "Attempted Not Known." Redmon did not file an Answer to the Complaint.

~~Enforcement served the Complaint and Notices of Complaint on Redmon in~~ accordance with Rule 9134, giving him constructive notice of this proceeding. By failing to respond, he defaulted. Pursuant to NASD Procedural Rules 9215(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.²

III. Jurisdiction

Redmon was first registered with FINRA as a General Securities Representative through Ameriprise Financial Services on November 6, 2001. His registration was terminated on March 1, 2007. On June 26, 2007, Ameriprise filed an amended Form U5 disclosing a complaint by customer MA that Redmon failed to properly invest her funds. Redmon is not currently registered or associated with any FINRA member. Because the Complaint charges him with failing to respond to FINRA staff requests for information

² 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.

and the Complaint was filed during the two-year period following termination of his last registration, he remains subject to FINRA jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of the FINRA By-Laws.

IV. Violations

During its investigation of the complaint filed by customer MA and another complaint by customer MC, FINRA staff sought to obtain information from Redmon concerning his handling of those customers' funds. The Complaint alleges that on six occasions between May 18, 2007 and January 8, 2008, FINRA staff sent Redmon, pursuant to Rule 8210, requests that he provide a written statement and documentation pertaining to his investment of the customers' funds. The staff sought to determine whether he violated applicable securities laws and regulations.

FINRA staff sent the requests to Redmon by first class and certified mail to his CRD address. Because the requests were sent to him at his CRD address, pursuant to NASD Rule 8210(d), he is deemed to have received them.³ By failing to respond to the requests for information, Redmon 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 Redmon failed completely to respond to the requests and prevented FINRA from gaining a clear picture

³ Following two 8210 requests sent in July 2007, the staff learned of a possible address for Redmon during a LexisNexis search. However, subsequent 8210 requests sent to that address were returned undelivered and marked "Unable to Forward." In December 2007, the staff learned that Redmon was incarcerated at the Santa Clara County Department of Correction in Milpitas, California. The 8210 requests to Redmon at the Department of Correction were returned, marked "Return to Sender - No Such Street - Unable to Forward" and "Return to Sender - Vacant - Unable to Forward." The staff is unaware of any other possible address for Redmon.

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

Michael J. Redmon is barred from associating with any FINRA member firm in any capacity for failing to respond to requests for information, 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. Heiletz
Hearing Officer

Copies to:

Michael J. Redmon (*via first class mail & overnight courier*)
Heather Hawker, 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
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,	)	Disciplinary Proceeding
	)	No. 2007008657201
Complainant,	)	
	)	Hearing Officer
v.	)	
	)	COMPLAINT
MICHAEL J. REDMON	)	
CRD No. 4455900	)	
	)	
Respondent.	)	

The Department of Enforcement alleges:

1. Respondent Michael J. Redmon became associated with Ameriprise Financial Services (Ameriprise), a member of FINRA, on or about September 18, 2001. He became registered through Ameriprise on September 28, 2001 as a General Securities Representative. Ameriprise submitted a Uniform Termination Notice for Securities Industry Registration (Form U5) on or about March 1, 2007 reflecting that Redmon's association with Ameriprise was terminated on February 28, 2007. Redmon has not been associated with a FINRA member since the termination of his association with Ameriprise.

2. Pursuant to Article V, § 4 of FINRA's By-Laws, FINRA has jurisdiction to issue this Complaint through June 25, 2009, as a result of an amended Form U5 filed by Ameriprise on June 26, 2007.

SUMMARY

3. In 2007, Ameriprise made two amended Form U5 filings on behalf of Respondent Redmon disclosing the receipt of two customer complaints. Both complaints

alleged that Redmon failed to properly invest customer funds. One customer, MC, alleged that Redmon failed to properly invest funds in her SPS portfolio and variable annuity sub accounts. The second customer, MA, similarly alleged that Redmon failed to properly allocate funds in her variable annuity sub accounts. Specifically, both customers maintained that Redmon should not have placed their monies in a cash management fund. Rather, the customers maintain that their funds should have been invested in securities. In the course of its investigation of these complaints, FINRA staff made specific inquiries of Respondent Redmon. The Complaint sets forth one cause of action against Redmon, alleging violations of Procedural Rule 8210 and Conduct Rule 2110, pertaining to his failure to respond to requests for information relating to the staff's investigation arising out of the disclosure of the two customer complaints.

FIRST CAUSE OF ACTION
(Failure to Respond to Rule 8210 Requests for Information-
NASD Procedural Rule 8210 and NASD Conduct Rule 2110)

4. Complaint paragraph numbers 1-3, above, are re-alleged and incorporated herein by reference.

May 18, 2007 Request

5. On May 18, 2007, pursuant to Procedural Rule 8210, FINRA staff sent Respondent Redmon a written request for information related to staff's investigation of MC's complaint. Specifically, information requested included a written statement by Redmon detailing the circumstances surrounding the allegations made by MC, including, but not limited to, his admission or denial of the customer's allegations and copies of any documentation supportive of his statements. Redmon was further requested to set forth his rationale for not investing MC's funds in securities.

6. The May 18, 2007 Request was sent by both certified and first class mail to Respondent Redmon's CRD residential address — [REDACTED] (CRD Address). The requested information was to be provided to FINRA by June 1, 2007.

7. On June 18, 2007, the certified mailing was returned to FINRA stamped "Return to Sender -- Insufficient Address -- Unable to Forward." The first class letter has not been returned to FINRA. FINRA never received a response to the May 18, 2007 Request.

July 18, 2007 MC Request

8. With respect to MC's customer complaint, FINRA staff sent Respondent Redmon a second written Rule 8210 request by both certified and first class mail to the CRD Address on July 18, 2007 (MC July 18, 2007 Request). The information sought was identical to that requested in the May 18, 2007 Request. Redmon was to respond to the July 18, 2007 MC Request by August 1, 2007.

9. On July 27, 2007, the green signature card for the July 18, 2007 MC Request sent by certified mail was returned to staff unsigned. The first class mailing was not returned to FINRA. Respondent Redmon did not respond to the MC July 18, 2007 Rule 8210 Request.

July 18, 2007 MA Request

10. Also on July 18, 2007, pursuant to Procedural Rule 8210, staff sent Redmon a separate written request for information related to the investigation of MA's complaint (MA July 18, 2007 Rule 8210 Request). Information requested by staff included a written statement by Redmon detailing the circumstances surrounding the

allegations made by MA, including, but not limited to, his admission or denial of the customer's allegations and copies of any documentation supportive of his statements. Redmon was further requested to set forth his rationale for failing to invest MA's funds in securities.

11. The July 18, 2007 MA Request was sent by both certified and first class mail to Respondent Redmon's CRD Address. Redmon's response was due on or prior to August 1, 2007.

12. On July 27, 2007, the green signature card for the July 18, 2007 MA Request was returned to FINRA unsigned. The first class mailing was not returned to FINRA. Respondent Redmon did not respond to the July 18, 2007 MA Request.

13. Following the issuance of the July 18, 2007 MC Request and the July 18, 2007 MA Request, staff conducted a LexisNexis search to see if an alternative address for Respondent Redmon could be located. That search revealed a possible residential address of [REDACTED]

October 17, 2007 Request

14. On October 17, 2007, staff sent another written Rule 8210 request to Redmon seeking the same information requested in the MC July 18, 2007 Rule 8210 Request and the MA July 18, 2007 Request. The October 17, 2007 Request was sent to Redmon at his CRD Address and the [REDACTED] address by both certified and first class mail. Respondent Redmon was to respond to the October 17, 2007 Request no later than October 31, 2007.

15. The certified mailing of the October 17, 2007 Request to Respondent Redmon's CRD Address was returned to staff marked "Return to Sender - Not

Deliverable as Addressed – Unable to Forward.” The first class mailing to the CRD Address was not returned to staff.

16. The certified mailing of the October 17, 2007 Request to the [REDACTED] address was returned to staff marked “Return to Sender – Attempted – Not Known – Unable to Forward.” The first class mailing to the [REDACTED] address was similarly returned to staff marked “Return to Sender – Not Deliverable as Addressed – Unable to Forward.” Respondent Redmon did not respond to the October 17, 2007 Request.

November 2, 2007 Request

17. On November 2, 2007, staff sent Respondent Redmon another Rule 8210 request seeking the same information requested in the October 17, 2007 Request. The November 2nd request was sent by certified and first class mail to both the CRD Address and the [REDACTED] address. Redmon was to respond to the November 2, 2007 Request on or prior to November 16, 2007.

18. On November 9, 2007, the green signature card for the November 2, 2007 Request sent to the CRD Address was returned to staff with an illegible signature. On November 23, 2007, the certified mailing sent to the CRD Address was returned to staff marked “Return to Sender – Not Deliverable as Addressed – Unable to Forward.” The first class mailing of the November 2nd request to the CRD Address was returned to staff on November 13, 2007 marked “Return to Sender – Not Deliverable as Addressed – Unable to Forward.”

19. The November 2, 2007 Request sent to the 530 Canyon Woods address by certified mail was returned to staff on November 19, 2007 marked “Return to Sender –

Not Deliverable as Addressed – Unable to Forward;” the first class mailing to that address was also returned to staff marked “Return to Sender – Not Deliverable as Addressed – Unable to Forward.” Respondent Redmon did not respond to the November 2, 2007 Request.

20. In December 2007, staff learned that Respondent Redmon was incarcerated at the Santa Clara County Department of Correction – [REDACTED]

January 8, 2008 Request

21. On January 8, 2008, staff issued another Rule 8210 request to Respondent Redmon seeking the same information requested in the October 17, 2007 Request and November 2, 2007 Request. The January 8th request was sent by certified and first class mail to the CRD Address, the [REDACTED] address, and to the prison address – [REDACTED]

[REDACTED] Redmon was to respond to the January 8, 2007 Request by January 22, 2008.

22. The certified mailing of the January 8, 2008 Request to the CRD Address was returned to staff on January 22, 2008 marked “Return to Sender – Not Deliverable as Addressed – Unable to Forward;” the first class mailing has not been returned to staff.

23. On January 22, 2008, both the certified and the first class mailings of the January 8th request to the [REDACTED] address were returned to staff marked “Return to Sender – Not Deliverable as Addressed – Unable to Forward.”

24. The certified mailing of the January 8, 2008 Request sent to the Santa Clara County Department of Corrections was returned to staff on January 22, 2008

marked "Return to Sender – No Such Street – Unable to Forward." The first class mailing to that address was returned to staff on January 18, 2008 marked "Return to Sender – Vacant – Unable to Forward." Respondent Redmon did not respond to the January 8, 2008 Request.

25. Staff is unaware of any other possible address for Respondent Redmon.

26. The above six written Rule 8210 requests for information were sent within two years of Respondent Redmon's most recent association with a member firm, and therefore, he was required by Procedural Rule 8210 to provide the requested information.

27. Respondent Redmon's failure to provide the information requested as more fully set forth above constitutes separate and distinct violations of NASD Procedural Rule 8210 and NASD Conduct Rule 2110.

RELIEF REQUESTED

WHEREFORE, the Department of Enforcement 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 Respondent Redmon bear such costs of proceedings as are deemed fair and appropriate under the circumstances in accordance with NASD Rule 8330.

Dated: September 5, 2008

FINRA DEPARTMENT OF
ENFORCEMENT



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