

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

CHRISTOPHER M. MORRIS
(CRD No. 3140803),

Respondent.

Disciplinary Proceeding
No. 20070094300

Hearing Officer—Andrew H. Perkins

DEFAULT DECISION

August 25, 2009

The Respondent is barred from associating with any FINRA member firm in any capacity for failing to respond to requests for information, in violation of Conduct Rule 2110 and Procedural Rule 8210.

Appearances

Jessica A. Dennehy, Senior Attorney, New York, NY, for the Department of Enforcement.

No appearance by or for Christopher M. Morris.

DECISION

I. Introduction

The Department of Enforcement (“Enforcement”) for the Financial Industry Regulatory Authority (“FINRA”) filed a Complaint (attached to this Decision as Exhibit A) on May 13, 2009. The Complaint alleges that Respondent Christopher M. Morris (“Morris”) violated Procedural Rule 8210 and Conduct Rule 2110 by failing to respond to FINRA requests that he appear for an on-the-record interview to answer questions regarding

FINRA's investigation of his conduct while associated with FINRA member firm USF Securities L.P. ("USF Securities").¹

Morris did not answer or otherwise respond to the Complaint. Consequently, on July 22, 2009, Enforcement filed a Motion for Entry of Default Decision and Imposition of Sanctions ("Default Motion"). The Default Motion is supported by the Declaration of Jessica A. Dennehy, Esq. ("Dennehy Decl.") and 13 exhibits. Morris did not respond to the Motion.²

II. Findings of Fact and Conclusions of Law

A. Jurisdiction

Morris associated with USF Securities in March 2007 at which time he submitted a Uniform Application for Securities Industry Registration or Transfer (Form U4) and became registered with FINRA as a General Securities Representative.³ On April 4, 2008, USF Securities filed a Uniform Termination Notice for Securities Industry Registration (Form US) on his behalf, indicating that he was permitted to resign on March 6, 2008, while he was under investigation for a customer complaint that alleged unauthorized trading.⁴

Although Respondent has not been registered with FINRA since April 4, 2008, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's Bylaws, because (1) the Complaint was filed within two years following the termination of his registration with FINRA, and (2) the Complaint charges him

¹ As of July 30, 2007, NASD consolidated with the member regulation and enforcement functions of NYSE Regulation and began operating under a new corporate name, the Financial Industry Regulatory Authority (FINRA). References in this Decision to FINRA include, where appropriate, NASD. Following consolidation, FINRA began developing a new FINRA Consolidated Rulebook. The first phase of the new consolidated rules became effective on December 15, 2008, including certain conduct rules and procedural rules. See Regulatory Notice 08-57 (Oct. 2008). This Decision refers to and relies on the NASD Conduct Rules that were in effect at the time of Respondent's alleged misconduct. The applicable rules are available at www.finra.org/rules.

² The factual determinations in this Decision are based on the allegations of the attached Complaint, which are deemed admitted, as well as additional materials filed by Enforcement.

³ Complainant's Exhibit ("CX")-3; Dennehy Decl. ¶ 6.

⁴ CX-4.

with misconduct committed while he was associated with a FINRA member firm and with failing to respond to FINRA's requests for information made during the two-year period following the termination of his registration.⁵

B. Respondent's Default

On May 13, 2009, Enforcement served the Complaint and First Notice of Complaint on Morris at his last recorded residential address shown in FINRA's Central Registration Depository (the "CRD Address") by first-class and certified mail, return receipt requested.⁶ The first-class mailing was not returned to Enforcement; the certified mailing was returned stamped "Unclaimed."⁷ Morris did not respond to the First Notice of Complaint.

On June 11, 2009, Enforcement mailed the Complaint and Second Notice of Complaint to Morris at his CRD Address by first-class and certified mail, return receipt requested. As before, the first-class mailing was not returned, and the certified mailing was returned marked "Unclaimed."⁸ To date, Morris has not filed an answer with the Office of Hearing Officers or otherwise responded to the Complaint.⁹

Enforcement properly served Morris with the Complaint by mailing the Complaint and the First and Second Notices of Complaint in accordance with FINRA Procedural Rule 9134(b)(1), thereby giving him constructive notice of this disciplinary proceeding.

⁵ Article V, Sec. 4(a), FINRA By-Laws, available at www.finra.org/rules (then follow "FINRA Manual" hyperlink to "Corporate Organization: Bylaws").

⁶ Dennehy Decl. ¶ 21.

⁷ *Id.* ¶¶ 23-24.

⁸ *Id.* ¶¶ 26-29.

⁹ *Id.* ¶ 31.

Accordingly, by failing to answer the Complaint, Morris defaulted.¹⁰ Accordingly, pursuant to Procedural Rules 9215(f) and 9269(a)(2), the Hearing Officer deems the allegations in the Complaint admitted and grants Enforcement's Default Motion.

C. Failure to Respond to Information Requests

On January 13, 2009, FINRA staff sent Morris a request pursuant to Procedural Rule 8210 that he appear and provide testimony in connection with FINRA's investigation of the facts and circumstances surrounding the customer complaint of unauthorized trading disclosed on the Form U5 that USF Securities filed on April 4, 2008. FINRA staff sent the request by certified mail to Morris' CRD Address and to an e-mail address Morris had used previously in correspondence with Enforcement. The letter was returned unclaimed, and Morris did not respond to the staff's e-mail. Morris did not appear for his scheduled on-the-record interview.¹¹

On February 6, 2009, FINRA staff sent Morris a second request that he appear for an on-the-record interview pursuant to Procedural Rule 8210. The staff sent the second letter by first-class and certified mail to his CRD Address. The staff also sent the letter to Morris by e-mail. The letter sent by first-class mail was not returned, and the certified mailing was returned "Unclaimed." Morris failed to appear for his on-the-record interview on February 24, 2009.¹²

¹⁰ *Dep't of Enforcement v. Verdiner*, No. CAF020004, 2003 NASD Discip. LEXIS 42, at *5 (N.A.C. Dec. 9, 2003) (NASD Procedural Rule 9134(b)(1) allows for constructive notice by mailing a complaint to the respondent's most recent CRD address) (quoting *Lubeck v. SEC*, 1998 U.S. App. LEXIS 18849, at *20 (9th Cir. Aug. 12, 1998)).

¹¹ *Dennehy Decl.* ¶¶ 9-13.

¹² *Id.* ¶¶ 14-17.

The Hearing Officer finds that the allegations in the Complaint are sufficient to establish, for purposes of this decision, that Morris violated Procedural Rule 8210 and Conduct Rule 2110.

III. Sanctions

The FINRA Sanction Guidelines ("Guidelines") recommend a bar where a respondent fails to respond in any manner to a request for information issued pursuant to Procedural Rule 8210.¹³ Here, there is no evidence of any mitigating factors that would justify a lesser sanction. Accordingly, the Hearing Officer will bar Morris from associating with any FINRA member firm in any capacity.

IV. Order

Morris is barred from association with any FINRA member firm in any capacity for his failure to appear for his on-the-record interview, in violation of Conduct Rule 2110 and Procedural Rule 8210. The bar will become effective immediately if this Default Decision becomes FINRA's final disciplinary action in this proceeding.



Andrew H. Perkins
Hearing Officer

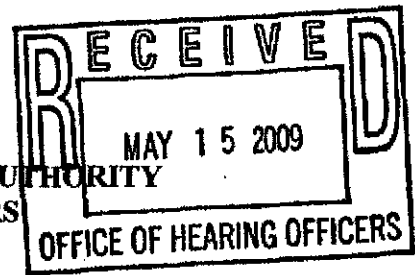
Copies to:

Christopher M. Morris (by FedEx, next-day delivery, and first-class mail)
Jessica A. Dennehy, Esq. (by first-class and electronic mail)
David Sonnenberg, Esq. (by electronic mail)
Mark P. Dauer, Esq. (by electronic mail)

¹³ FINRA Sanction Guidelines 35 (2007), available at www.finra.org/sanctionguidelines.

EXHIBIT A

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



Department of Enforcement,

COMPLAINANT,

V.

**Christopher M. Morris
CRD No. 3140803,**

RESPONDENT.

**DISCIPLINARY PROCEEDING
No. 20070094300**

COMPLAINT

The Department of Enforcement alleges:

RESPONDENT & JURISDICTION

1. Respondent Christopher M. Morris ("Respondent") first entered the securities industry when he became registered with Merrill Lynch, Pierce, Fenner & Smith ("Merrill Lynch"), a FINRA member, in October 1998. In March 2007, he became associated with USF Securities L.P. ("USF") as a registered representative and remained there until March 6, 2008, when USF terminated Respondent's employment. Since that time, Respondent has not been associated with any other FINRA member.

2. Although Respondent is not currently associated with a FINRA member, he remains subject to the jurisdiction of FINRA pursuant to Article V, Section 4, of the FINRA By-Laws in that the misconduct alleged occurred while Respondent was associated with a member and a complaint was filed within two years following Respondent's registration termination.

OVERVIEW

3. Respondent violated FINRA Procedural Rule 8210 and FINRA Conduct Rule 2110 in that he failed to cooperate with Enforcement's investigation.

CAUSE OF ACTION

Failing to Appear and Provide Testimony (FINRA Rules 8210 and 2110)

4. The Department realleges and incorporates by reference paragraphs 1-3 above.

5. Respondent failed to appear and provide on-the-record testimony on February 5, 2009 and February 24, 2009.

6. On January 13, 2009, Enforcement sent a letter to Respondent, requesting that, pursuant to FINRA Rule 8210, Respondent appear and provide on-the-record testimony on February 5, 2009 at 9:30 am at FINRA's office located at 14 Wall Street in New York City regarding the charge of unauthorized trading included on a Form U5 filed by USF. The letter was sent via certified mail to Respondent at his last known residential address as listed on the Central Registration Depository ("CRD"). The letter was returned to Enforcement on January 31, 2009 because it was not claimed by Respondent. The letter was also sent via electronic mail on January 13, 2009 to an e-mail address from which Respondent previously contacted Enforcement. To date, Respondent has not responded to the letter sent via electronic mail.

7. On February 5, 2009, Respondent failed to appear and provide on-the-record testimony to Enforcement.

8. On February 6, 2009, Enforcement mailed a letter to Respondent, requesting that, pursuant to FINRA Rule 8210, he appear and provide on-the-record testimony on February 24, 2009 at 9:30 am at FINRA's office located at 14 Wall Street in New York City. The letter was

sent via certified mail, return receipt requested, and first class mail to Respondent at his last known residential address as listed in CRD. The letter was also sent to Respondent via electronic mail to the e-mail address he previously provided to Enforcement. The letter sent via certified mail was returned to Enforcement and marked "Unclaimed." The letter sent via first class mail was never returned to Enforcement. To date, Respondent has not responded to the letter sent via electronic mail.

9. On February 24, 2009, Respondent failed to appear and provide on-the-record testimony to Enforcement.

10. As a result of this conduct, Respondent violated NASD Rules 8210 and 2110.

RELIEF REQUESTED

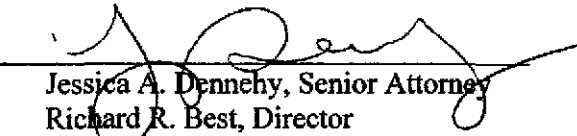
WHEREFORE, the Department respectfully requests that the Panel:

A. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions and restitution, 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 FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Dated: 5/13/09


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