

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

GREGORY W. VAN CAMP
(CRD No. 4533186),

Respondent.

Disciplinary Proceeding
No. 2009018711101

Hearing Officer—Andrew H. Perkins

DEFAULT DECISION

August 10, 2010

Respondent is barred from associating with any FINRA registered firm in all capacities for failing to respond to requests for information, in violation of FINRA Rules 8210 and 2010.

Appearances

Heather Hawker, Senior Regional Counsel, Denver, CO, for the Department of Enforcement.

No appearance by or on behalf of Gregory W. Van Camp.

DECISION

I. Introduction

The FINRA Department of Enforcement (“Enforcement”) charged Respondent Gregory W. Van Camp (“Van Camp”), a former registered representative with FINRA member firm World Group Securities, Inc. (“WGS”), with failing to respond to multiple requests for information in violation of Procedural Rule 8210 and Conduct Rule 2010.¹ FINRA staff initiated two investigations after WGS submitted two amended Uniform Termination Notices for Securities Industry Registration (Forms U5) that disclosed customer complaints regarding Van

¹ The applicable rules are available at www.finra.org/rules.

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Camp's sales of variable universal life policies ("VUL policies") while he was associated with WGS.

II. Procedural History

Enforcement filed the attached Complaint with the Office of Hearing Officers on April 12, 2010. Van Camp did not answer or otherwise respond to the Complaint within the time permitted by Rule 9215. Accordingly, Enforcement filed a Motion for Entry of Default Decision on June 24, 2010, together with the declaration of Heather Hawker and five exhibits.² Van Camp did not respond to Enforcement's motion.

Enforcement served Van Camp with a Notice of Complaint on April 6, 2010, by mailing it to his residential address listed in the Central Registration Depository ("CRD") and to an alternate address Van Camp's former spouse provided to FINRA staff in October 2009. Enforcement sent the First Notice of Complaint by first-class and certified mail. The United States Postal Service returned both of the mailings addressed to the CRD address with notations that Van Camp was no longer at that address.³ On April 13, 2010, Enforcement received a signed receipt for the certified mailing sent to Van Camp at the alternate address. The receipt reflects that the mailing was delivered on April 10, 2010, but the signature on the receipt is not legible.⁴ Van Camp did not respond to the First Notice of Complaint.

On May 5, 2010, Enforcement served Van Camp with the Second Notice of Complaint by mailing it to the CRD and alternate addresses. Enforcement sent the Second Notice of Complaint by first-class and certified mail. To date, neither of the mailings sent to the CRD address has been returned by the United States Postal Service. On May 14, 2010, Enforcement

² Enforcement's exhibits are labeled CX-1 through CX-5.

³ Hawker Decl. ¶ 10.

⁴ CX-4.

received a signed receipt for the certified mailing sent to Van Camp at the alternate address.⁵ The signature on the receipt is not legible. Van Camp did not file an Answer or otherwise respond to the Second Notice of Complaint.⁶

III. Jurisdiction

Van Camp was registered with FINRA as an Investment Company and Variable Contracts Representative through WGS from February 21, 2003, until October 21, 2008.⁷ Although he has not been associated with a FINRA member firm since October 2008, FINRA retains jurisdiction over this disciplinary proceeding pursuant to Article V, Section 4 of FINRA's By-Laws because: (1) the Complaint was filed within two years after October 21, 2008, the date FINRA terminated Van Camp's registration; and (2) the Complaint charges him with failing to respond to Enforcement's requests for information made during the two-year period following the termination of his FINRA registration.⁸

IV. Default

Van Camp defaulted by failing to answer or otherwise respond to the Complaint.⁹ Therefore, pursuant to Rule 9215(f) the Hearing Officer will treat the allegations in the attached Complaint as admitted.

⁵ Hawker Decl. ¶¶ 11-12.

⁶ *Id.* ¶ 13.

⁷ CX-2.

⁸ See Article V, Sec. 4(a), FINRA By-Laws, available at www.finra.org/Rules (then follow "FINRA Manual" hyperlink to "Corporate Organization: By-Laws").

⁹ *Department of Enforcement v. Reynolds Verdiner*, No. CAF020004, 2003 NASD Discip. LEXIS 42, at *5 (N.A.C. Dec. 9, 2003) (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)).

V. Findings of Fact and Conclusions of Law

The Complaint contains two causes of action. The First Cause of Action alleges that Van Camp failed to respond to requests for information in connection with FINRA Examination No. 20080156318, and the Second Cause of Action alleges that Van Camp failed to respond to requests for information in connection with FINRA Examination No. 20090187111.

A. First Cause of Action

The First Cause of Action alleges that WGS filed an amended Form U5 with FINRA on November 6, 2008, which disclosed that DW, one of Van Camp's former customers, had lodged a complaint with WGS, accusing him of misconduct in connection with her purchase of VUL policies. DW claimed that Van Camp had misrepresented the amount of the annual premiums and he had sold her a policy for \$2 million in coverage although she had applied for a \$1 million policy.¹⁰

After receiving the amended Form U5, FINRA staff began an investigation of DW's claims. In the course of that investigation, the staff sent Van Camp six requests for information pursuant to Rule 8210, which requires "a member, person associated with a member, or person subject to [FINRA's] jurisdiction to provide information orally, in writing, or electronically. . . with respect to any matter involved in the investigation, complaint, examination, or proceeding."¹¹ The staff sent the requests on April 1, April 20, September 10, September 25,

¹⁰ Compl. ¶ 4.

¹¹ Rule 8210(a)(1).

October 9, and October 27, 2009.¹² FINRA staff properly sent all of the requests to Van Camp's CRD address¹³ and the last two requests also to the alternate address pursuant to FINRA rules.¹⁴

On October 9, 2009, the staff received a voice mail message from Van Camp's former wife, stating that she and Van Camp had divorced and providing his new residential address in California (the alternative address Enforcement later used for service of the Complaint).

Although the staff sent the last two requests to the alternate address as well as to his CRD address, Van Camp did not respond.

The Hearing Officer finds that the foregoing facts establish that Van Camp violated Rules 8210 and 2010 by failing to respond in any manner to the six requests for information the staff issued in connection with Examination No. 20080156318.¹⁵

B. Second Cause of Action

The Second Cause of Action alleges that FINRA received a second amended Form U5 filed by WGS on Van Camp's behalf on July 6, 2009, which disclosed that NC and MC, another two of Van Camp's former customers, had lodged a complaint with WGS, accusing him of misconduct in connection with their purchase of VUL policies. NC and MC claimed that Van

¹² Compl. ¶¶ 6-17; Hawker Decl. ¶¶ 19-31.

¹³ The first three requests were addressed to [REDACTED] which was not the exact address in CRD. The CRD address abbreviated the street name to "S. Carterville Rd." The Hearing Officer finds this variance immaterial.

¹⁴ Hawker Decl. ¶¶ 29, 31. Rule 8210(d) states that "[a] notice under this Rule shall be deemed received by the member or person to whom it is directed by mailing or otherwise transmitting the notice to the last known business address of the member or the last known residential address of the person as reflected in the [CRD]. If the ... FINRA staff responsible for mailing ... the notice ... has actual knowledge that the [CRD address] is out of date or inaccurate, then a copy of the notice shall be mailed to ... any other more current address ... known to the FINRA staff. ..."

¹⁵ A violation of Rule 8210 constitutes a violation of FINRA Rule 2010. See *Stephen J. Gluckman*, 54 S.E.C. 175, 185 (1999) (applying former NASD Rule 2110).

Camp had falsely represented that the value of the VUL policies would increase enough to allow them to pay off the mortgage on their home in five years.¹⁶

After receiving this amended Form U5, FINRA staff began an investigation of NC and MC's claims. In the course of that investigation, the staff sent Van Camp two requests for information pursuant to Rule 8210, dated October 13 and November 12, 2009.¹⁷ FINRA staff properly sent both requests to Van Camp's CRD address and the alternate address pursuant to FINRA rules. Van Camp did not respond in any manner to either request.¹⁸

The Hearing Officer finds that the foregoing facts establish that Van Camp violated Rules 8210 and 2010 by failing to respond in any manner to the two requests for information the staff issued in connection with Examination No. 20090187111.

VI. Sanctions

For failing to respond to FINRA Rule 8210 requests for information, the FINRA Sanction Guidelines ("Guidelines") provide that a bar should be "standard" when there is a complete failure to respond.¹⁹ The Guidelines for failing to respond to requests for information list principal considerations for adjudicators to assess in determining appropriate sanctions. Adjudicators are instructed to consider "[w]hether the requested information has been provided and, if so, [to] consider the number of requests made, the time respondent took to respond, and the degree of regulatory pressure required to obtain a response." Adjudicators also consider the nature of the information requested in assessing appropriate sanctions.²⁰

¹⁶ Hawker Decl. ¶ 36.

¹⁷ *Id.* ¶¶ 40, 42.

¹⁸ *Id.* ¶ 44.

¹⁹ FINRA Sanction Guidelines 35 (2007), www.finra.org/sanctionguidelines.

²⁰ *Id.*

The Hearing Officer finds that a bar from associating with any FINRA member firm in all capacities is an appropriately remedial sanction given all of the facts and circumstances, including a lack of mitigating factors that would warrant a lesser sanction. The documents and information that the staff sought were important. The staff was investigating multiple complaints of serious misconduct. A bar remedies the risk that Enforcement will not be able to obtain information necessary for the protection of investors and will serve to deter others from failing to provide Enforcement with information requested under Rule 8210 at the time such requests are made. Accordingly, the Hearing Officer will bar Van Camp from associating with any FINRA member firm in all capacities.

VII. Order

Gregory W. Van Camp is barred from associating with any FINRA member firm in all capacity for failing to respond to requests for information in connection with FINRA Examination Nos. 20080156318 and 20090187111, in violation of Procedural Rule 8210 and FINRA Conduct Rule 2010. The bars shall become effective immediately if this Default Decision becomes the final disciplinary action of FINRA.



Andrew H. Perkins
Hearing Officer

Copies to:

Gregory W. Van Camp (*via FedEx, next day delivery, and first-class mail*)
Heather Hawker, Esq. (*via electronic and first-class mail*)
Mark P. Dauer, Esq. (*via electronic mail*)
David R. Sonnenberg, Esq. (*via electronic mail*)

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

DEPARTMENT OF ENFORCEMENT,	)	Disciplinary Proceeding
	)	Nos. 2008015631801 and
Complainant,	)	2009018711101
	)	
	)	Hearing Officer:
v.	)	
	)	COMPLAINT
GREGORY W. VAN CAMP,	)	
CRD No. 4533186,	)	
Respondent.	)	

The Department of Enforcement alleges:

SUMMARY

In the 2008/2009 time period, two separate investigations of Respondent Van Camp (Examination Nos. 20080156318 and 20090187111) were being conducted by FINRA staff. Both investigations stemmed from amended Form U5 filings made by Van Camp's former firm, World Group Securities (WGS), and disclosed complaints pertaining to Van Camp's sale of variable universal life (VUL) policies. The allegations raised in these filings concerned staff as several customers had lodged complaints asserting similar misconduct by Van Camp. In order to determine whether violations of the securities laws and/or rules occurred, FINRA staff needed to obtain additional information from Van Camp. For that reason, staff sent multiple written Rule 8210 requests to Van Camp. As discussed in greater detail herein, Van Camp failed to provide the requested information in violation of Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

1. Respondent Van Camp was associated with member firm WGS from on or about February 7, 2003, through on or about October 21, 2008, where he was registered as an *investment company products and variable contracts representative*.

2. Van Camp has not been associated with a FINRA member since the termination of his association with WGS. Pursuant to Article V, § 4 of FINRA's By-Laws, FINRA has jurisdiction to issue this Complaint against Van Camp through February 8, 2012, as a result of an amended Form U5 filed by WGS on February 9, 2010 disclosing a customer complaint that Van Camp allegedly provided false information to the agent who sold the customer a VUL policy in September 2005.

FIRST CAUSE OF ACTION

**(Examination No. 20080156318 - Failure to Respond to Rule 8210
Requests for Information – FINRA Rules 8210 and 2010)**

3. The Department realleges and incorporates by reference paragraph numbers 1-2 above.

4. On or about November 6, 2008, WGS filed an amended Form U5 disclosing a customer complaint by DW who alleged that Van Camp misrepresented the annual premiums for her VUL policies. Shortly thereafter, staff commenced its investigation of Van Camp and learned that DW also complained that, with respect to one of her VUL policies, she had applied for \$1 million in coverage, but the policy was issued for \$2 million in coverage. DW further alleged that Van Camp had her complete VUL applications for Utah residents when she in fact resided in California.

5. As part of its investigation of DW's claims, FINRA staff sent Van Camp a total of six written requests for information pursuant to Rule 8210. The requested information included:

an explanation as to why one of DW's VUL policies was originally written with an insurance amount of \$1 million and then later changed to \$2 million; a detailed summary of the discussions Van Camp had with DW regarding the annual premiums for her VUL policies; and, an explanation as to why Van Camp submitted the VUL applications for DW with a home address in Utah rather than DW's residential California address. Van Camp failed to respond to any of FINRA staff's Rule 8210 requests.

6. On April 1, 2009, staff sent Van Camp a written Rule 8210 request for the information identified in Complaint paragraph 5. The Rule 8210 request letter was sent by first class and certified mail to Van Camp at [REDACTED] Per CRD, Van Camp's residential address is: [REDACTED] The letter directed Van Camp to provide the information requested therein by April 15, 2009.

7. The April 1, 2009 certified mailing was returned to FINRA marked "return to sender, unclaimed, unable to forward;" the first class letter was not returned. Van Camp did not respond to the April 1st Rule 8210 request letter.

8. On April 20, 2009, FINRA staff sent Van Camp a second Rule 8210 request letter seeking the same information set forth in the April 1st request letter. The April 20th request letter was sent by first class and certified mail to Van Camp at [REDACTED] [REDACTED] The April 20th mailing directed Van Camp to provide the requested information by May 4, 2009.

9. On April 27, 2009, the April 20th certified mailing was returned to FINRA staff marked "return to sender, not deliverable as addressed, unable to forward." The first class mailing was not returned. Van Camp did not respond to staff's second request letter.

10. On September 10, 2009, a third Rule 8210 request letter was sent to Van Camp at [REDACTED] by first class and certified mail. This request sought the same information set forth in the two earlier requests. The third request letter directed Van Camp to provide the information requested therein by September 24, 2009.

11. The September 10th certified mailing was returned to staff on September 14, 2009 marked "moved, left no address;" the first class letter was not returned. Van Camp did not respond to the September 10, 2009 Rule 8210 request letter.

12. On September 25, 2009, staff sent Van Camp a fourth Rule 8210 request letter to [REDACTED] by first class and certified mail. This request sought the same information identified in the three prior requests and directed Van Camp to respond by October 9, 2009.

13. On October 26, 2009 the certified mailing was returned to staff marked "not deliverable as addressed, unable to forward;" the first class letter was not returned. Again, Van Camp did not respond to the request.

14. On or about October 9, 2009, FINRA staff received a voice mail message from Van Camp's ex-wife stating that Van Camp no longer resided at the CRD address and that his current address was [REDACTED] (Alternative Address).

15. On October 9, 2009, staff sent Van Camp a fifth Rule 8210 request letter to both his CRD address, [REDACTED] and to the Alternative Address. The requests were sent by first class and certified mail and sought the same information identified in the prior Rule 8210 requests. The fifth Rule 8210 request letter directed Van Camp to provide the information requested therein by October 23, 2009.

16. On October 23, 2009, the certified mail confirmation receipt for the October 9th mailing to the Alternative Address was returned to staff to with an illegible signature. The October 9th certified mail envelope sent to the CRD address was returned to the staff on October 21, 2009 marked "moved left no address, unable to forward, return to sender." The first class letter sent to the CRD address was returned on October 21, 2009, marked "moved left no address, unable to forward, return to sender." The first class letter sent to the Alternative Address was not returned. Van Camp did not respond to the October 9th Rule 8210 request.

17. On October 27, 2009, staff sent Van Camp a sixth Rule 8210 request letter by first class and certified mail to both his CRD address and the Alternative Address. The October 27th Rule 8210 request sought the same information identified in the prior requests and directed Van Camp to respond by November 10, 2009.

18. The certified mail confirmation receipt for the October 27th mailing to the Alternative Address was returned to staff on November 2, 2009 with an illegible signature. The request sent by certified mail to Van Camp's CRD address was returned to staff on November 2, 2009 marked "moved left no address, unable to forward, return to sender." The first class letter sent to the CRD address was returned marked as "moved left no address, unable to forward, return to sender." The first class letter sent to the Alternative Address was not returned. Van Camp did not respond to the October 27th Rule 8210 request.

19. To date, Van Camp has failed to provide information that was requested, pursuant to Rule 8210, on April 1, 2009, April 20, 2009, September 10, 2009, September 25, 2009, October 9, 2009 and October 27, 2009. Van Camp's failure to provide the requested information impeded staff's investigation and effectively prevented staff from determining whether, with

respect to his sale of the VUL policies to DW, Van Camp violated any securities laws, rules and/or regulations.

20. Each of the six Rule 8210 requests was sent during the period that Van Camp was subject to FINRA's jurisdiction; therefore, he was required by Rule 8210 to provide the requested information.

21. Van Camp's failure to provide the information requested in the April 1, 2009, April 20, 2009, September 10, 2009, September 25, 2009, October 9, 2009 and October 27, 2009 requests constitutes separate and distinct violations of FINRA Rules 8210 and 2010.

SECOND CAUSE OF ACTION

**(Examination No. 20090187111 - Failure to Respond to Rule 8210
Requests for Information – FINRA Rules 8210 and 2010)**

22. The Department realleges and incorporates by reference paragraph numbers 1-21 above.

23. On July 6, 2009, an amended Form U5 was filed by WGS on Van Camp's behalf disclosing a complaint by NC and MC alleging that Van Camp recommended that they borrow on the equity in their home to invest in VULs. NC and MC also claimed that Van Camp represented to them that the value of the VULs would increase and allow them to pay off their home in five years. NC and MC further maintained that Van Camp recorded incorrect net worth and income figures on their VUL paperwork.

24. FINRA staff commenced an investigation shortly thereafter and learned that between August, 2006 and July, 2007, NC and MC purchased four VUL policies with combined death benefits of \$3,225,000.00 and scheduled annual premiums of \$133,000.00. NC and MC claimed that they signed blank documents when completing the four VUL applications and that someone falsely overstated their income and net worth figures on the application forms. They

also alleged that Van Camp made fraudulent statements to them regarding the VUL policies which resulted in significant losses.

25. In order to investigate NC's and MC's claims, FINRA staff needed to obtain additional information from Van Camp. This information included, but was not limited to: whether Van Camp recommended that the customers use mortgage proceeds to purchase the four VUL policies, and, if yes, why he believed such a recommendation was appropriate for these clients; the steps taken to verify the accuracy of the information on NC's and MC's account material and to reconcile the differences between the clients' stated income and net worth to the balances shown on account material; further information regarding the source of funds for the customers' VUL policies; whether Van Camp discussed with the customers what would happen to the policies should they fail to make premium payments; whether Van Camp recommended that other investors use home proceeds to finance investments and if so, to identify those investors; and, whether Van Camp shared or anticipated sharing in the mortgage-based commissions in connection with any such mortgages.

26. On October 13, 2009, FINRA staff sent a Rule 8210 request seeking the information identified in Complaint paragraph 25 to Van Camp at both his CRD address and the Alternative Address. The request letters were sent via first class and certified mail and directed Van Camp to provide the requested information by October 27, 2009.

27. The first class and certified letters sent to the CRD address were returned to FINRA staff as undeliverable. The first class letter to the Alternative Address was not returned. The certified letter to the Alternative Address was delivered on October 16, 2009; the signature on the certified mail confirmation receipt is someone other than Van Camp.

28. On November 12, 2009, staff sent a second Rule 8210 request to Van Camp by certified and first class mail to both the CRD addresses and the Alternative Address. This request sought the same information identified in the October 13th request and directed Van Camp to respond by November 27, 2009. Van Camp failed to provide the requested information.

29. The first class and certified letters sent to the CRD address were returned to FINRA staff as undeliverable. The first class letter to the Anaheim, CA address was not returned. The certified letter to the alternative address was delivered on November 16, 2009 and was signed for by a person other than Van Camp.

30. To date, Van Camp has failed to provide information that was requested, pursuant to Rule 8210, on October 13, 2009 and November 12, 2009. Van Camp's failure to provide the requested information impeded staff's investigation and effectively prevented staff from determining whether Van Camp violated any securities laws, rules and/or regulations.

31. Both Rule 8210 requests was sent during the period that Van Camp was subject to FINRA's jurisdiction; therefore, he was required by Rule 8210 to provide the requested information.

32. Van Camp's failure to provide the information requested in the October 13, 2009 and November 12, 2009 requests constitutes separate and distinct violations of FINRA Rules 8210 and 2010.

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; and

B. Order that Respondent Van Camp bear such costs of proceedings as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

Dated: April 6, 2010

FINRA DEPARTMENT OF
ENFORCEMENT



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