

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

Department of Enforcement,

Complainant,

v.

Tracy P. Chan,
CRD No. 3107299,

Respondent.

Disciplinary Proceeding
No. 20090210296-20

Hearing Officer: Andrew H. Perkins

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: 8/16/11

INTRODUCTION

Disciplinary Proceeding No. 20090210296-20 was filed on June 8, 2011 by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Tracy P. Chan submitted an Offer of Settlement (Offer) to Complainant dated August 3, 2011. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of

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findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Respondent became registered with FINRA as an Investment Company Products/Variable Contracts Limited Representative on July 1, 1999, as a General Securities Representative on March 4, 2002, and as a General Securities Principal on January 5, 2005.

Respondent has been associated with three member firms during her tenure in the securities industry. From August 1998 to January 2000, Respondent was registered with Vanguard Marketing Corporation. From March 2000 to March 2001, Respondent was registered with First Union Brokerage Services, Inc. From April 2001 to August 2009, Respondent was registered with Lincoln.

In a Uniform Termination Notice for Securities Industry Registration, Lincoln reported that Respondent's employment was terminated on August 18, 2009 and that at the time of her termination, she was under investigation for the creation and distribution of answer keys for LTC insurance exams.

Although Respondent has not been associated with a FINRA member firm since August 18, 2009, she remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the date upon which she ceased to be associated with a FINRA member; and (2) the

Complaint charges her with failing to respond to FINRA requests for information during the two-year period after the date upon which she ceased to be associated with a FINRA member.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

FINRA Rule 8210(a)(1) states, in relevant part, that FINRA staff has the right to “require 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 [an] investigation . . .” FINRA Rule 8210(c) provides that “[n]o member or person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule.”

A violation of FINRA Rule 8210 constitutes a violation of FINRA Rule 2010, which requires “[a] member, in the conduct of its business, [to] observe high standards of commercial honor and just and equitable principles of trade.”

Between July 2009 and April 2011, FINRA staff sent Respondent four requests for information pursuant to FINRA Rule 8210, to which Respondent has failed to respond. The four requests were sent to the residential address listed for Respondent in FINRA’s Central Registration Depository (“CRD”): [REDACTED]

On July 10, 2009, FINRA staff sent Respondent a request for a written explanation pursuant to FINRA Rule 8210 via certified mail return receipt requested and first class mail. The request set a July 24, 2009 response date. The certified receipt was returned to FINRA staff with what appeared to be Respondent’s signature. The first class copy was not returned to FINRA. Respondent failed to respond.

On September 21, 2010, FINRA staff sent Respondent a request for documents and information pursuant to FINRA Rule 8210 via Federal Express, certified mail return receipt requested, and first class mail. The request set an October 5, 2010 response date. The Federal Express copy was delivered on September 22, 2010. FINRA staff did not receive a return receipt for the certified copy. The first class copy was not returned to FINRA. Respondent failed to respond.

On October 8, 2010, FINRA staff sent Respondent a request for documents and information pursuant to FINRA Rule 8210 via Federal Express, certified mail return receipt requested, and first class mail. The request set an October 15, 2010 response date. FINRA staff was unable to track the Federal Express copy. FINRA staff did not receive a return receipt for the certified copy. The first class copy was not returned to FINRA. Respondent failed to respond.

On April 11, 2011, FINRA staff sent Respondent a request for documents and information pursuant to FINRA Rule 8210 via Federal Express, certified mail return receipt requested, and first class mail. The request set an April 18, 2011 response date. The Federal Express copy was delivered on April 12, 2011. The certified receipt was returned to FINRA staff without a signature. The first class copy was not returned to FINRA. Respondent failed to respond.

To date, Respondent has failed to respond to any of FINRA's Rule 8210 requests.

By reason of the foregoing, Respondent violated FINRA Rules 8210 and 2010.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

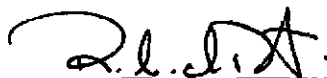
It is ordered that Respondent be barred from association with any FINRA member firm in any capacity.

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this Order.

SO ORDERED.

FINRA

Signed on behalf of the
Director of ODA, by delegated authority



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