

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

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

COREY LAMAR BATTEY
(CRD No. 4123425),

Respondent.

Disciplinary Proceeding
No. 2009021048402

Hearing Officer – LBB

DEFAULT DECISION

Dated: March 8, 2012

Respondent is suspended from associating with any member firm for six months and fined \$5,000 for failing to submit timely responses to requests for documents and information, in violation of FINRA Rules 8210 and 2010.

Appearances

Sandra J. Harris, Esq., Deputy Regional Chief Counsel, Los Angeles, California, for the Department of Enforcement.

No appearance by or for Respondent.

DECISION

The Department of Enforcement (“Enforcement”) filed the one-cause Complaint in this disciplinary proceeding on December 16, 2011, charging Corey Lamar Battey (“Respondent”) with failing to respond to requests for documents and information, thereby violating FINRA Rules 8210 and 2010.

Despite being properly served with the Complaint, Notice of Complaint, and Second Notice of Complaint, Respondent has not filed an answer or otherwise responded to the Complaint. Enforcement filed a Motion for Entry of Default Decision on February 10, 2012, to

which Respondent did not respond. Accordingly, pursuant to FINRA Rules 9215(f) and 9269, the allegations in the Complaint are deemed admitted, and Enforcement's motion is granted.¹

I. Jurisdiction

Respondent was registered with MetLife Securities, Inc. ("Firm") from April 2008 until January 25, 2010. CX-1, CX-3. On December 18, 2009, the Firm filed a Form 3070, reporting that Respondent had been suspended by the Firm pending the review of allegations that Respondent "may have been involved in activity with regard to a promissory note." On February 22, 2010, the Firm filed a Form U5, reporting that Respondent had been discharged by the Firm because of "loss of confidence and the registered representative did not disclose required information on Form U-4." The Form U5 reported that Respondent had been the subject of an internal review concerning allegations that he received short-term loans, one in the form of a promissory note, from two individuals who were not clients of the Firm, and that the loans had not been repaid. Decl. ¶ 4; CX-2, CX-3. FINRA's Central Review Group thereafter began an investigation of this matter. Decl. ¶ 4.

Although Respondent has not been registered with a member firm since January 25, 2010, he remains subject to FINRA's jurisdiction, pursuant to Article V, Section 4 of FINRA's By-Laws, because the Complaint was filed within two years after the termination of his registration with a member firm, and it charges him with failure to submit timely responses to Rule 8210 requests that were issued within two years after the termination of his registration with a member firm.

¹ The factual determinations in this decision are based on the allegations of the attached Complaint and the materials Enforcement filed with its default motion, which includes the Declaration of Sandra J. Harris in Support of Motion for Entry of Default Decision, and supporting documentation that is attached to counsel's declaration. Counsel's declaration is cited herein as "Decl. ¶ ____." The supporting documentation is cited herein as "CX-____."

II. Respondent's Default

On December 16, 2011, Enforcement served the Complaint and Notice of Complaint on Respondent by certified and first-class mail at his residential address as listed in the Central Registration Depository ("CRD address"), and at an alternate address provided by Respondent. Decl. ¶ 5; CX-4. The first-class mailings were not returned. The certified mailing to the CRD address was returned marked "Unclaimed." The certified mailing to the alternate address was delivered on December 20, 2011. Decl. ¶ 5; CX-4 – CX-5. Respondent did not respond to the Notice of Complaint. Decl. ¶ 5.

On January 19, 2012, Enforcement served the Complaint, Notice of Complaint, and Second Notice of Complaint on Respondent by certified and first-class mail at his CRD address and the alternate address. Dec. ¶ 6; CX-7. The first-class mailings were not returned. The Postal Service website indicates that the Postal Service attempted to deliver the certified mailings, and left notices. Decl. ¶ 6; CX-7 – CX-9. Respondent has not answered or otherwise responded to the Complaint. Decl. ¶ 6.

Enforcement served the Complaint and the Notices of Complaint on Respondent in accordance with FINRA Procedural Rule 9134, giving him constructive notice of this proceeding. By failing to respond, he defaulted.

III. Respondent Violated FINRA Rules 8210 and 2010 by Failing to Submit Timely Responses to Requests for Documents and Information

On September 15, 2010, FINRA staff issued a request for documents and information to Respondent as part of an investigation concerning alleged loans from or investments by non-Firm customers while Respondent was associated with the Firm. The letter was sent by first-class and certified mail, and required a response by September 29, 2010. Respondent

signed the receipt for the certified mailing. Respondent did not respond to the request.

Complaint ¶¶ 5-6.

On November 3, 2010, FINRA staff issued a second request for documents and information to Respondent, pursuant to Rule 8210. The letter was sent by first-class and certified mail to Respondent's CRD address. The request directed Respondent to provide the documents and information by November 17, 2010. The first-class letter was not returned. The certified mailing was returned to FINRA staff, marked "Return to Sender, Unclaimed, Unable to Forward." Respondent did not respond to the November 3, 2010, request for documents and information. Complaint ¶ 7.

On November 30, 2010, FINRA staff served Respondent with a Notice of Suspension, pursuant to Rule 9552. The Notice of Suspension informed Respondent that he would be suspended from association with any FINRA member in any capacity unless he complied with the Rule 8210 requests before December 27, 2010. On or about December 27, 2010, Respondent submitted an unsigned response to the Rule 8210 request. Complaint ¶¶ 8-10.

By failing to submit timely responses to the Rule 8210 requests, Respondent violated FINRA Rules 8210 and 2010.²

IV. Sanctions

For failure to respond to a Rule 8210 request in a timely manner, the Sanction Guidelines recommend consideration of a suspension in all capacities of up to two years, and a fine of \$2,500 to \$25,000.³ The principal considerations are: 1) the importance of the information

² *Dep't of Enforcement v. Hoeper*, No. C02000037, 2001 NASD Discip. LEXIS 37, at *5 (N.A.C. Nov. 2, 2001) (violation of NASD Procedural Rule 8210 was a violation of NASD Conduct Rule 2110).

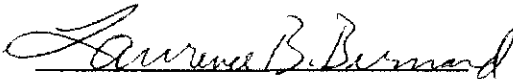
³ *FINRA Sanction Guidelines* 33 (2011).

requested as viewed from FINRA's perspective; 2) the number of requests made and the degree of regulatory pressure required to obtain a response; and 3) the length of time to respond.⁴

Enforcement recommends the imposition of a six-month suspension and a \$5,000 fine. The staff notes that the information requested was important, relating to whether Respondent violated FINRA's Rules in connection with the receipt of funds from two people who were not clients of the Firm. Respondent failed to respond to two requests for documents and information. Substantial regulatory pressure was required to obtain a response, and the response was not received until approximately three months after the date the response to the first request was required. Enforcement's recommendation is reasonable, and the recommended sanction will be imposed.

V. Conclusion

Respondent Corey Lamar Battey is suspended from associating with any FINRA member firm in any capacity for six months and fined \$5,000 for failing to submit timely responses to requests for documents and information, in violation of FINRA Rules 8210 and 2010. If this decision becomes FINRA's final disciplinary action, the suspension shall begin at the opening of business on April 16, 2012, and will end at the close of business on October 16, 2012. The fine shall be due and payable if and when Respondent re-enters the securities industry.


Lawrence B. Bernard
Hearing Officer

⁴ *Id.*

Copies to: Corey Lamar Battey (*via overnight courier and first-class mail*)
Sandra J. Harris, Esq. (*via first-class and electronic 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,

Complainant,

v.

Corey Lamar Battey (CRD No. 4123425),

Respondent.

DISCIPLINARY PROCEEDING
No. 2009021048402

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. In connection with FINRA's investigation concerning alleged loans from or investments by non-broker-dealer customers, Respondent Corey Lamar Battey failed to timely respond to the staff's Rule 8210 requests for information and documents, in violation of FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Respondent was associated with FINRA member MetLife Securities, Inc. (the Firm) beginning on April 21, 2008. From April 29, 2008 to February 22, 2010, he was registered as an Investment Company Products/Variable Contracts Representative.

3. Although Respondent is no longer registered or associated with a FINRA member, he 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 effective date of termination of Respondent's registration with the Firm, namely

February 22, 2010, and (2) the Complaint charges him with failing to timely respond to FINRA requests for information during the two-year period after the date upon which he ceased to be registered or associated with a FINRA member.

CAUSE OF ACTION
Failure to Timely Respond to Rule 8210 Requests
for Information and Documents
(Violation of FINRA Rules 8210 and 2010)

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

5. FINRA staff issued two letters to Respondent pursuant to FINRA Rule 8210 as part of an investigation concerning alleged loans from or investments by non-Firm customers while Respondent was associated with the Firm.

6. On or about September 15, 2010, FINRA's CRG staff issued the first Rule 8210 request for information and documents to Respondent. The letter was sent by first class and certified mail to Respondent's CRD residential address: [REDACTED]

[REDACTED] The letter contained a response due date of September 29, 2010. The first class letter was not returned. Respondent signed the certified mail receipt. Respondent did not respond to the September 15, 2010 letter by the due date of September 29, 2010.

7. On or about November 3, 2010, FINRA's CRG staff issued the second Rule 8210 request for information and documents to Respondent. The letter was sent by first class and certified mail to Respondent's CRD address. The letter contained a response due date of November 17, 2010. The first class letter was not returned. The certified mail letter was returned marked "Return to Sender, Unclaimed, Unable to Forward." Respondent did not respond to the November 3, 2010 letter by the due date of November 17, 2010.

8. As a result of Respondent's failure to respond to the staff's two Rule 8210 request letters, on November 30, 2010, the staff initiated a Rule 9552 proceeding against Respondent. The Notice of Suspension was served by FedEx and first class mail on Respondent's CRD address.

9. The Notice of Suspension stated, among other things, that Respondent would be suspended from associating with any FINRA member in any capacity unless he complied with the Rule 8210 requests of September 15, 2010 and November 3, 2010, prior to the suspension date of December 27, 2010.

10. On or about December 27, 2010, Respondent sent his unsigned response to the Rule 8210 requests to the staff by e-mail.

11. By failing to timely respond to the Rule 8210 requests, Respondent violated FINRA Rules 8210 and 2010.

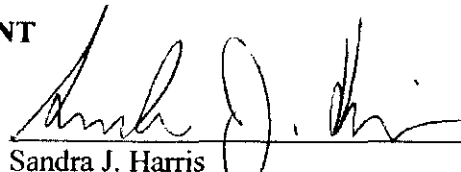
RELIEF REQUESTED

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 bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: December 16, 2011


Sandra J. Harris
Deputy Regional Chief Counsel
FINRA Department of Enforcement
300 South Grand Avenue, 16th Floor
Los Angeles, CA 90071
(213) 613-2601 (phone); (213) 617-1570 (fax)
Sandra.Harris@finra.org